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Daily Report
East Asia

FBIS-EAS-96-019

CONTENTS

29 January 1996

NOTICE: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Japan: Daiwa Announces Contract To Transfer U.S. Operations *[KYODO]* 1
Japan: More on Daiwa's Contract To Transfer U.S. Operations *[KYODO]* 1
Japan: Ambassador Saito on Economic Issues, Summit *[NIHON KEIZAI SHIMBUN 26 Jan]* 2
Japan: Disappointment in State of Union Address Expressed *[NIHON KEIZAI SHIMBUN 25 Jan]* 2
Japan: Clinton's State of Union Address Evaluated *[YOMIURI SHIMBUN 25 Jan]* 3
Japan: Editorial Views Clinton's State of Union Address *[TOKYO SHIMBUN 25 Jan]* 4
Japan: Daily Views Hashimoto's Security Pact With U.S. *[RYUKYU SHIMPO 26 Jan]* 5
Japan: Mayors Approve Action Program on Return of Bases *[RYUKYU SHIMPO 26 Jan]* 5
Japan: Okinawa Assembly Mission Leaves for U.S. *[KYODO]* 6
Japan: Head of Mission to U.S. on Bases Issue Interviewed *[RYUKYU SHIMPO 29 Jan]* 6
Japan: USMC Live-Fire Drills Begin; Protesters Demonstrate *[OKINAWA TIMES 26 Jan]* 7
Japan: City Wants U.S. Navy Flight Drills Moved to Iwojima *[KYODO]* 7
Japan: Landowners Oppose Early Return of U.S. Bases *[RYUKYU SHIMPO 20 Jan]* 8
Japan: Hashimoto Urges Yeltsin To Solve Territorial Dispute *[KYODO]* 8
Japan: Hashimoto 'Deeply Regrets' French Nuclear Test *[KYODO]* 8
Japan: Ikeda Holds Talks With ASEAN Representatives *[KYODO]* 9
Japan: Ikeda 'Unyielding' on Rice Aid Issue to DPRK *[KYODO]* 9
Japan: High-Ranking DPRK Official Expected To Attend Davos Forum *[SANKEI SHIMBUN 25 Jan]* 10
Japan: ROK Envoy, Ikeda Exchange Views on DPRK Normalization *[NIHON KEIZAI SHIMBUN 27 Jan]* 10
Tokyo Notifies ROK of Planned Exclusive Economic Zone *[SANKEI SHIMBUN 24 Jan]* 10
Japan: Zone To Pave Way for Island Talks With PRC, ROK *[KYODO]* 11
Japan: EPA on Upward Trend of Corporate Capital Investment *[KYODO]* 12
Japan: Government Adopts Plan To Liquidate Failed Jusen *[KYODO]* 12
Japan: Hashimoto Answers Diet Questions on Jusen Liquidation *[Tokyo TV]* 13
Japan: Investment Club Formed Defying Ministry's Warning *[KYODO]* 13
Japan: Hashimoto, Kato Agree No Election Over 'Jusen' Issue *[KYODO]* 13
Japan: Coalition, Opposition Agree To Start Diet Debate *[KYODO]* 14
Japan: Former Komeito Members Form Faction Within NFP *[ASAHI SHIMBUN 24 Jan]* 14
Japan: MITI Report Says Industrial Output Recovering *[KYODO]* 15
Japan: 'News Focus' Views Nation's Labor Productivity *[KYODO]* 15

North Korea

DPRK Paper on 'Threat' of U.S. 'Bellicose Elements' *[KCNA]* 17
DPRK Foreign Ministry Rejects Wassenaar Arrangement *[Pyongyang Radio]* 17
DPRK Ministry on 'Countermeasure' to 'Wassenaar Arrangement' *[KCNA]* 18
DPRK Denounces U.S.-ROK Antisubmarine Exercise *[Pyongyang Radio]* 19
DPRK Denoueces 'Provocative' U.S.-ROK War Exercises *[KCNA]* 20
DPRK: Former ROK DLP Official Chong Defects *[Pyongyang Radio]* 20
DPRK: Former ROK Party Official Visits Mansu Hill *[KCNA]* 21

DPRK: 'Disillusioned' ROK Fishermen Defect *[Pyongyang Radio]* 21
DPRK: Defecting ROK Fishermen Welcomed in Kim Chaek *[KCNA]* 21
ROK Fishermen Who Defected to DPRK Interviewed *[KCNA]* 22
DPRK: CPRF Denounces ROK Plan To Build 'Nuclear Base' *[Pyongyang Radio]* 22
DPRK Paper on ROK 'Schemes' To Build Nuclear Site *[KCNA]* 23
DPRK: ROK Expected To 'Persistently Seek Confrontation' *[KCNA]* 23
DPRK Denounces ROK 'Military Provocation' in DMZ *[KCNA]* 24
DPRK Daily on ROK Arms Buildup for 'Northward Invasion' *[Pyongyang Radio]* 24
DPRK Paper Views ROK Obstacles to Reunification *[KCNA]* 25
DPRK Daily Denounces Kim Yong-sam Remarks on Past *[KCNA]* 25
DPRK Daily on ROK Premier's Remarks on N-S Relations *[KCNA]* 26
DPRK: Japan Moves To Validate 'Defense' Against DPRK *[Pyongyang Radio]* 26
DPRK: Japanese Visitor Calls Kim Il-song 'Genuine Leader' *[KCNA]* 27
DPRK: Danish Foreign Ministry Delegates Visit Mansu Hill *[KCNA]* 27
Swede: DPRK Heading for Famine, Economic Disaster *[Stockholm Radio]* 27
DPRK: Kim Chong-il: Youth Must Continue Revolutionary Traditions *[KCNA]* 28
DPRK: Vigilance Against Imperialists' 'Cultural Poisoning' Urged *[KCNA]* 29
DPRK: 'Enemy' 'Provocations' 'Impotent' Before Army *[KCNA]* 29

South Korea

DPRK Rejects Observation Equipment Request *[CHUNGANG ILBO 28 Jan]* 30
U.S. 'To Shift' Oil Responsibility to KEDO *[MUNHWA ILBO 27 Jan]* 30
KEDO Asked To Pay DPRK Negotiators' Costs *[YONHAP]* 31
ROK, U.S. Delegates Interviewed on Honolulu Talks *[HANGUK ILBO 27 Jan]* 31
Seoul Dailies Comment on Results of Honolulu Talks *[CHOSON ILBO 27 Jan, etc.]* 32
ROK: U.S. Ambassador to Seoul Interviewed 26 Jan *[HANGUK ILBO 28 Jan]* 33
ROK Prosecutors To Charge USFK Employee With Murder *[YONHAP]* 35
ROK KTC Decides To Investigate U.S. Chemical 'Dumping' *[THE KOREA HERALD 27 Jan]* 35
Seoul Opposes Rapid Japan-DPRK Normalization *[CHOSON ILBO 27 Jan]* 36
ROK Air Force Chief Discusses Situation in DPRK *[SEOUL SINMUN 28 Jan]* 36
DPRK Identifies 'Defector' From ROK *[YONHAP]* 37

SOUTHEAST ASIA

Burma

BURMA: Cambodian First Prime Minister Welcomed Upon Arrival *[Rangoon Radio]* 38
BURMA: Agreement To Form Joint Commission Signed With Cambodia *[Rangoon Radio]* 38
BURMA: Imprisoned Thais Transferred to Rangoon Prison *[Bangkok Radio]* 39
BURMA: Use of Thai Currency Reportedly Banned in Shan State *[THE SUNDAY POST 28 Jan]* 39
BURMA: Than Shwe Receives Singaporean Ministers in Rangoon *[Rangoon Radio]* 40
BURMA: Inaugural Ministerial Meeting With Singapore Begins *[BUSINESS TIMES 24 Jan]* 40
BURMA: Khun Sa's '10-Point Agreement' With Government Detailed *[THAILAND TIMES 27 Jan]* 40
BURMA: Aung San Suu Kyi on Detention of Party Supporters *[AFP]* 41
BURMA: 51 MTA Members Surrender in Tangyan Township *[Rangoon TV]* 42
BURMA: 161 MTA Members Surrender to Defense Services *[Rangoon TV]* 42
BURMA: 57 MTA Members Surrender in Namhsan Township *[Rangoon TV]* 43
BURMA: Karenni Liberation Front Urges SLORC-NLD Dialogue *[Burmanet News]* 43

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Major Powers' Late Dues Put UN on Bankruptcy Trail *[THE STAR 26 Jan]* 44

Malaysia: Official Condemns French Nuclear Test *[Kuala Lumpur International]* 44
Malaysia: Mekong Basin Development Discussed With Yunnan Group *[THE STAR 24 Jan]* .. 45

Singapore

Singapore Editorial Views Russian Political Scene *[THE STRAITS TIMES 24 Jan]* 45

Cambodia

Cambodia: Hun Sen Says Policy Toward U.S. 'Unchanged' *[Phnom Penh Radio]* 46
Cambodia: Sihanouk Leaves for China *[Phnom Penh Radio]* 46
Cambodia: Ministry Says No Offensive Planned on Khmer Rouge *[Phnom Penh Radio]* 46
Cambodia: Government Forces Closing on Khmer Rouge Base *[AFP]* 46
Cambodia: Khmer Rouge Reports Victory on Route 10 Front *[Radio PGNUNS]* 47
Cambodia: Police Detain 120 People in Sam Rangsi's HQ *[AFP]* 47

Indonesia

INDONESIA: Irian Jaya Abductors, Hostages on Way To PNG Border *[ANTARA]* 48
INDONESIA: Troops Ordered Not To Act 'Recklessly' in Freeing Hostages *[Jakarta Radio]* 48
INDONESIA: 'Special Force' To Prevent Kidnappers' Escape *[Jakarta Radio]* 48
INDONESIA: Further on Irian Jaya Hostage Situation *[AFP]* 48
INDONESIA: Military Preparing To Blockade Kidnappers in Village *[ANTARA]* 49
INDONESIA: General Views Possible Steps To Resolve Hostage Crisis *[ANTARA]* 50
INDONESIA: Military Kills Six Insurgents in East Timor 25-26 Jan *[ANTARA]* 50

Philippines

Philippines: Ramos Condemns French Nuclear Test *[AFP]* 51
Philippines: Ramos Downplays Clash With Suspected PRC Vessels *[AFP]* 51
Philippines: Navy Chief on PRC Vessels Involved in Clash *[AFP]* 51
Philippines: AFP Rules Out PRC Involvement in Naval Skirmish *[BUSINESS WORLD 29 Jan]* 52
Philippines: Siazon Calls Intruders 'Pirate Ships' *[Quezon City Radio-TV]* 52
Philippines: Officials Cautious About Antiterrorism Law *[Quezon City Radio]* 53
Philippines: Editorial Urges Defeat of Antiterrorism Bill *[PHILIPPINE DAILY INQUIRER 23 Jan]* 53

Thailand

THAILAND: Cambodians Flee Fighting, Cross Border *[Bangkok TV]* 54
THAILAND: Burma Asked To Restrict Opium Production, Export *[BUSINESS DAY 24 Jan]* 54
THAILAND: Burmese Junta Tries To Intimidate Elderly Group *[THE NATION 24 Jan]* 55
Thai Official on Regional Intellectual Property Cooperation *[PHUCHATKAN 24 Jan]* 55

Vietnam

SRV: 'Positive Developments' in Border Talks With PRC *[Hanoi Radio]* 56
SRV: PetroVietnam Signs Contracts With Foreign Firms *[Hanoi Radio]* 56
SRV: Do Muoi Praises Role of Youths in National Causes *[Hanoi Radio]* 56
SRV: Do Muoi Urges Speeding Up of Industrialization *[Hanoi International]* 58
SRV: Do Muoi Inspects Party Congress Preparations in Hanoi *[Hanoi Radio]* 58
SRV: Tran Duc Luong on Operation of State Corporations *[VNA]* 58
SRV Trade Magazine Suspended for 'Inaccurate' Information *[NHAN DAN 26 Dec]* 59
Government Responds to National Assembly Queries *[TUOI TRE 28 Oct]* 59
SRV Minister Interviewed on Government Reshuffle *[THOI BAO KINH TE VIET NAM 19-25 Oct]* 62

SRV Aug 95 Party Journal Table of Contents *[TAP CHI CONG SAN No. 10 Aug]* 64
SRV Party Journal: Nguyen Van Linh on Party Leadership *[TAP CHI CONG SAN No. 10 Aug]* 65
SRV Party Journal: Official on Party Departments *[TAP CHI CONG SAN No. 10 Aug]* 67
SRV Party Journal: Need of Party Leadership in Market Economy *[TAP CHI CONG SAN No. 10 Aug]* 70
SRV Reiterates Commitment To Solving Refugees issue *[Hanoi International]* 72
SRV: Hanoi Strives To Provide Jobs for 38,000 Workers *[Hanoi International]* 72

Japan

Japan: Daiwa Announces Contract To Transfer U.S. Operations

*OW2901030696 Tokyo KYODO in English
0259 GMT 29 Jan 96*

[FBIS Transcribed Text] Osaka, Jan. 29 KYODO — The scandal-tainted Daiwa Bank announced Monday [29 January] it has signed a contract with Sumitomo Bank to transfer its U.S. operations ahead of Friday's deadline to withdraw from the United States.

The contract includes a transfer of Daiwa's 15 U.S. branches to Sumitomo, Daiwa officials said.

Last November, Daiwa Bank was ordered by U.S. authorities to shut down its U.S. operations by Friday after the revelation of a cover-up of massive bond trading losses at its New York branch.

Both Daiwa and Sumitomo are based in Osaka. They are among the 11 "city" commercial banks.

Reports say Sumitomo will eventually merge with Daiwa.

Japan: More on Daiwa's Contract To Transfer U.S. Operations

*OW2901050196 Tokyo KYODO in English
0430 GMT 29 Jan 96*

[FBIS Transcribed Text] Osaka, Jan. 29 KYODO — The scandal-tainted Daiwa Bank announced Monday [29 January] it has come to a final agreement with Sumitomo Bank to transfer Daiwa Bank's U.S. operations ahead of Friday's deadline to shut its doors in the United States.

The agreement includes a transfer of Daiwa Bank's 15 U.S. branches to Sumitomo Bank, for a sum of $65 million, Daiwa bank officials said.

Upon the agreement, Daiwa Bank will terminate its U.S. operations by Friday as ordered by U.S. authorities last November after the bank was charged with covering up of some $1.1 billion in bond trading losses at its New York branch.

After withdrawal from the U.S., Daiwa Bank will try to reconstruct its business standing by reviewing its overseas operations and cutting personnel costs in accordance with a plan presented early in January to the Finance Ministry, the officials said.

Under the agreement, Sumitomo Bank will take over still viable loans of $3.3 billion out of total outstanding lending of $4.3 billion by Daiwa Bank's U.S. branches, including the New York and Los Angeles branches, they said.

Daiwa Bank and Sumitomo Bank, both based in Osaka, are expected to merge eventually, banking industry sources say.

Daiwa will dispose of the remaining loans by charging them to its headquarters' accounts, the officials said.

Sumitomo will take over about 220 of Daiwa's local employees in the U.S., they said.

Daiwa will also shut down its U.S. trust subsidiary, Daiwa Bank Trust Co., and transfer its loans to Sumitomo and its trust operations to a New York trust service unit of Sumitomo, they said.

In the business improvement plan, Daiwa is also prepared to close its European subsidiaries, except the London unit, resulting in a sharp decrease in its overseas bases from the present 57 to 26, the officials said.

The number of employees will be cut by 2,000 to 7,000 by the end of fiscal 1999, they said.

After the withdrawal from the U.S., about 40 Japanese staff members will return to Japan and work for Daiwa's domestic trust operations, they said.

Last September, Daiwa Bank unveiled a trader in its New York branch, Toshihide Iguchi, was dismissed over the $1.1 billion losses in unauthorized sales of U.S. securities over 11 years from 1984.

Iguchi has pleaded guilty to his cover-up of the massive losses.

U.S. authorities also filed a 24-count indictment against Daiwa Bank itself, a step that could lead to fines of more than $1 billion.

Recently, Daiwa has requested U.S. prosecutors to withdraw the indictment against the bank, claiming it should not be held responsible for Iguchi's trading which Daiwa said caused the bank "enormous financial injury."

Daiwa, which appears to be hoping for a conclusion by way of a plea-bargaining deal at a U.S. court, is likely to gear up its negotiations with Sumitomo on the merger, industry sources said.

On the much-rumored merger, a Finance Ministry official said, "Basically, the matter should be decided through discussions between the parties concerned," indicating the ministry will monitor future development of the issue.

In New York, Daiwa Bank released a statement Sunday [28 January] which quoted President Takashi Kaiho as saying, "We are pleased to have reached an agreement with Sumitomo Bank."

"We will work hard to ensure a smooth and orderly transition for our customers and employees. Daiwa Bank's greatest strength lies in serving its customers in Japan and Southeast Asia. In the near-to-immediate term, we intend to concentrate on those markets," it said.

David Drewery, director of Daiwa Bank in the U.S., said, "I am extremely proud of the professional conduct of all of our employees. I admire their resolve and their actions to preserve the client relationships that we have all worked so hard to build."

The press release also said that the 14 branches, agencies and representative offices of Daiwa Bank's U.S. commercial banking division, which was acquired from Lloyds Bank PLC in 1990, are located in Atlanta, Baltimore, Boston, Chicago, Dallas, Houston, Los Angeles (800 West 6th Street), Miami, Minneapolis, New York (Grand Central branch), Philadelphia, Pittsburgh, St. Louis, San Francisco and Tampa.

Japan: Ambassador Saito on Economic Issues, Summit

OW2901033996 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Jan 96 Evening Edition p 2

[By Hideo Kawai]

[FBIS Translated Text] Washington, 25 Jan — New Ambassador to the United States Saito in an interview with NIHON KEIZAI SHIMBUN noted how the United States sees the Hashimoto Administration and indicated his view on prospects of Japan-U.S. summit talks in April. As for economic talks on four trade sectors, including semiconductor trade, Ambassador Saito indicated his view that "it is necessary to come to serious grips with trade issues."

[The following is a summary of the interview]

[NIHON KEIZAI] At Japan-U.S. foreign ministerial talks, the U.S. side called for making progress in economic talks on the four trade sectors, including semiconductors. What lies behind the U.S. call?

[Saito] I think the United States really wants to make progress in the talks. The U.S. Government sees that those four trade issues are the most important issues to be solved among Japan-U.S. economic problems. So, Japan should not take such a move of the United States lightly. However, the time spent on the four issues and economic affairs at the recent meeting was very short. Although there was a report that the meeting focused on the those issues, it is not true. I am not saying they are not big issues for the United States. They are not issues which the U.S. side can talk about easily. We need to tackle them seriously.

[NIHON KEIZAI] How does the Clinton Administration see the Hashimoto Cabinet?

[Saito] At the recent foreign ministerial talks, we felt that U.S. side places hopes on and welcomes the Hashimoto Administration. They see that the new administration will be much stronger and be more stable because the prime minister is elected from the biggest party among the coalition partners. They also see that Prime Minister Hashimoto has strong leadership, determination, the power of execution, and that he will make things easier to deal with in negotiations.

[NIHON KEIZAI] However, as the United States places more hopes on Hashimoto, pressure on Japan over economic friction between the two nations will increase, do you not you think so?

[Saito] I am not concerned about this. What they expect from Prime Minister Hashimoto is at the different level. They expect the prime minister not to settle individual trade issues but to proceed further with necessary deregulation swiftly, carry out a role Japan is required to fulfill in the international community, and strengthen the Japan-U.S. alliance. This is what they expect from him.

[NIHON KEIZAI] Don't you think that the U.S. Government may take advantage of the Japan-U.S. issues for strategic purposes for a presidential election this year?

[Saito] Most of the U.S. officials I have met so far ruled out the possibility that the Japan-U.S. economic issues will be a point of contention during the election campaign. Trade relations between the United States and China are in very bad shape. Therefore, we do not need to think that the United States will make Japan the object of attack if it's economy gets worse.

Although it has been reported in the papers that a plan is afoot by China to make missile-attack to Taiwan, we need to carefully watch how not only U.S.-PRC economic relations but also other issues will develop.

Japan: Disappointment in State of Union Address Expressed

OW2601131196 Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Jan 96 Morning Edition p 8

[Article by Washington Bureau chief Yoji Koike: "Clinton's Speech Reflects the Shrinking United States"]

[FBIS Translated Text] The State of the Union Address is an annual message to the world to be delivered by the President of the United States, one of the superpowers. However, we have no choice but to say that the contents of this year's address are poor. From President Clinton's address, the world must have felt that the United States "is shrinking." To say the least, we could not find his view of the world or his intentions as a leader to change the world.

President Clinton's address focused mostly on domestic affairs, and it was far different from those delivered by previous Republican presidents, who spent more time on diplomatic affairs. This time, President Clinton placed less emphasis on diplomatic problems than last year. In his speech, issues regarding trade and currency were nearly ignored while the national defense issue was pushed away from the main points. Policies toward Asia were hardly mentioned.

As for diplomatic affairs, it is very difficult to find from his address anything called a message. If we dare to find a message, it is a passage that says: "We must not be isolationist. We must not be the world's policeman." However, this message was merely to reconfirm a conventional position of "selective involvement in world affairs," and therefore, we are not satisfied with the message of the United States' position to deal with the post-Cold War world, which has began to fluctuate.

How will the United States get along with Russia, which still has an element of instability, and cope with China, which is regarded as a potential superpower? It may not be only foreign nations who keep an eye on those concerns.

"Placing emphasis on domestic affairs" is probably a national direction for the United States to take. In a sense, it is natural to give priority to appealing to the eligible voters because there is a presidential election this year. Nevertheless, we cannot ignore the negative aspect that the address gave the impression that the United States' leadership has weakened.

On domestic affairs, we could not see specific ideas and intentions from his address. The President repeatedly said "the era of big government is over" and stressed his intention to seek "smaller government." But this also gave the impression that the President expressed such intentions in consideration of the Republicans' "criticism of the federal government" and a growing "anti-Washington" mood among the people, rather than showing his intentions to lead the nation.

"An age of possibility" is said to be a key phrase of the State of the Union Address. However, the key words sound hollow as long as the United States continues to fail to come up with a clear vision of what the United States should be and what its involvement in world affairs should be.

Japan: Clinton's State of Union Address Evaluated

OW2901123396 Tokyo YOMIURI SHIMBUN in Japanese 25 Jan 96 Morning Edition p 3

[Editorial: "Clinton's Address Aimed at Reelection"]

[FBIS Translated Text] On 23 January, U.S. President Bill Clinton made a State of the Union address that marked the last year of his first term as U.S. president.

The President presented the seven challenges facing the United States as the country moves toward an "age of possibility" in the 21st century, and appealed to the government and people to unite and meet these challenges.

The year 1996 is a presidential election year. Clinton's address indicated the start of his campaign for reelection. He clearly intended to present the major policy issues, and underscore his leadership ability as president for a "second term."

At the beginning of his speech, President Clinton emphasized that the U.S. economy is in its best shape ever in 30 years, that inflation and unemployment rates are at their lowest in 27 years, and that in the past three years, around 8 million new jobs were created.

The President raised seven policy issues, including the family, education, crimes and narcotics, and the environment, as the "challenges for America." He also declared that the age of "big government" is over. He said that "a smaller, less bureaucratic government" should work with local governments, workplaces, the church, and local communities to work on these issues.

Although the speech contained such catch phrases as "age of possibility" and "challenges," a long-term vision for the 21st century was missing. The policy issues were all expressed in very general terms. Perhaps because it attempted to appeal to a wide-ranging audience, from the middle class to conservatives, there is nothing new in the address.

Medical system and welfare reform, which Clinton had designated as the top priority issues for his first term of office, both ended in failure. The policy issues enumerated in the address can be considered his election promises for the presidential race. The important thing is not to make promises that are popular to the voters, but to exercise leadership in asking the voters to make sacrifices if the circumstances call for them.

President Clinton also mentioned the reduction of fiscal deficits, which is now facing great difficulties. There are as yet no signs of waning in his confrontation with the Republican-dominated Congress over the draft federal budget. The second continuing resolution will expire on

26 January. If the government is furloughed a third time, there is bound to be an upsurge in criticism not only of the Republican Party's hardline stance, but also of the President, who is the highest responsible executive officer.

While the Democratic and Republican Parties agree on wiping out the fiscal deficit in seven years, they are at odds on cutting expenditures and tax reductions. While the President favors a minor cut in medical insurance for the aged and medical subsidies for low income citizens, the Republican Party is asking for drastic reform of the Medicare system, which it perceives to be the main culprit causing the fiscal deficit.

While it cannot be helped that the State of the Union address emphasizes only domestic issues, it leaves much to be desired that the seven policy issues only touch on foreign affairs problems briefly.

President Clinton asserted a strong U.S. leadership in the world, and he expressed the determination to remain the "best creator of peace." While it is commendable that he pledged to play a leading role in world peace, he merely enumerated such issues as Bosnia, Haiti, Northern Ireland, and peace in the Middle East. This shows a lack of foreign policy vision on the part of the President.

In a presidential election year, decisions on domestic problems and foreign affairs tend to be used to the advantage of the "reelection" campaign. We hope that President Clinton will not only focus on the election, but will also exercise strong leadership in the complex international situation.

Japan: Editorial Views Clinton's State of Union Address

OW2901032996 Tokyo TOKYO SHIMBUN in Japanese 25 Jan 96 Morning Edition p 4

[Editorial: "President Clinton's Dilemma"]

[FBIS Translated Text] "The era of big government is over." When U.S. President Bill Clinton spoke these words in his State of the Union address, it was Newt Gingrich, speaker of the house and Clinton's foremost political rival from the Republican Party, who immediately led a round of applause. However, when Clinton spoke the passage, "But we cannot go back to the time when our citizens were left to fend for themselves," the Republicans reportedly remained dead silent.

Approximately at the same time that an ordinary Diet session opened in Japan, Clinton reported on the state of the union on the morning of 24 January, Japan time, at a joint session of both houses of Congress. One scene from Clinton's speech which was reported by foreign media plainly shows the stagnation of American politics and the dilemma that Clinton has fallen into.

The Clinton administration has been likened to a crippled twin-engine plane flying with only one engine working, ever since the Republicans gained control over both houses of Congress after the 1994 off-year election. The administration is still unable to arrive at a compromise with this Republican-controlled Congress in a dispute over how to resolve the budgetary crisis. This dispute has led to repetitive, temporary shutting down of various governmental agencies and resulted in the government's being nearly incapacitated to pay its bills.

In the presidential election four years ago, Clinton asserted that liberal Democrats' tendency to favor the weak and their social-welfare-oriented policies resulted in excessive reliance on the government and the national budget. At the same time, Clinton also distanced himself from the conservative Republicans' strong ability-oriented policies. In regard to foreign affairs, Clinton tried to draw a line between himself and traditional Democrat-style reconciliation-oriented aspects and protectionist tendencies, while criticizing the Republicans over their tendency to favor excessive U.S. intervention in foreign affairs ever since the Cold War era.

However, even if this "third road" approach were to reach the people as an all-encompassing message, it remains ambiguous as to whether the government can implement its policies in reality as well as to whether these policies will be effective. It may be said that the Democratic Party suffered a major loss in the off-year election only because of the lukewarmness of this middle-of-the-road approach.

Clinton could not help but criticize his own party's traditional ways in order to put an end to the Republican Party's 12-year hold on the reigns of the government. However, even he cannot dare to simply cut off the majority of the party's traditional supporters. Thus, antinomic phrases are especially noticeable in this year's State of the Union address.

Moreover, Clinton and his wife's alleged involvement in a scandal over money and vested interests has developed to a point where Hillary Clinton is to be summoned to testify before a federal grand jury. Moves to clarify the President's "sexual harassment" incident have also left marks on the President's reputation. It appears that the painful political position in which Clinton now finds himself has further detracted from the powerfulness of his address.

However, the various problems the United States is trying to solve through trial and error — the government's role, the scope of government spending, how national security ought to be, and the effectiveness and limitations of intervention in foreign affairs — are the very problems — though there be differences in their nature or their extent — that Japanese politicians must also deal with.

Japan: Daily Views Hashimoto's Security Pact With U.S.

OW2601161196 Tokyo RYUKYU SHIMPO in Japanese 26 Jan 96 Morning Edition p 1

[FBIS Translated Text] Tokyo — In his reply to interpellations at plenary sessions of both Diet houses on 25 January, Prime Minister Ryutaro Hashimoto reiterated efforts toward streamlining, unification, and retrenchment of U.S. military bases on Okinawa. In addition, he stressed the need to firmly maintain the Japan-U.S. security treaty in the post-Cold War period. He said: "In fulfilling the bilateral security treaty's goal, deployment of U.S. forces in Japan is essential." Thus, he gave his view that he will demand neither a reduction in strength of the U.S. forces in Japan nor withdrawal of the U.S. Marine Corps on Okinawa. Regarding development of industries in Okinawa, he said, "Efforts should be made to form attractive sightseeing spots and resorts, while giving consideration to environmental protection." However, he remained cautious about implementing special steps, such as visa-free entry and a reduction of airfares.

Liberal Democratic Party member Masakuni Murakami asked the government's view about the bases issue in the upper house plenary session; and Japan Communist Party Chairman Tetsuzo Fuwa, in the lower house plenary session. Murakami also posed a question involving Okinawa's development program.

Speaking about the rape of an Okinawan girl by U.S. servicemen, he said, "It is an abominable and unpardonable incident." He then vowed to strongly demand that the United States make efforts to prevent a recurrence and strengthen discipline.

As for the question of streamlining, unification, and reduction of the bases, as well as improvement of the Japan-U.S. Status of Forces Agreement's application, including progress in noise pollution and safety [of military operations], he said: "In line with discussions at the Japan-U.S. Special Action Committee, steps need to be taken one by one to bring about a concrete improvement in those issues." By saying so, the prime minister showed his intention to quickly promote preparations for U.S. President Bill Clinton's visit in April.

Regarding the U.S. military bases issue, Okinawa Development Agency Director General Saburo Okabe said in the upper house plenary session: "It is one of the main problems that needs to be settled before promoting Okinawa's development project, because the bases have had various influences on Okinawan's daily lives." At the same time, he showed a willingness to develop tourism. However, as for visa-free entry and an airfare reduction, he merely said, "I will consider the proposals."

Japan: Mayors Approve Action Program on Return of Bases

OW2901044096 Naha RYUKYU SHIMPO in Japanese 26 Jan 96 Morning Edition p 24

[FBIS Translated Text] On 25 January, RYUKYU SHIMPO conducted a survey on an action program based on the International City Project concept worked out by the Okinawa Prefectural Government [OPG]. Mayors of 19 concerned cities, towns and villages were asked to give their views concerning the project's feasibility, conformity and financial support, and answers have been received from 13 mayors. The survey's outcome indicates that all mayors agree that military bases constitute a major obstacle to the regional development. In general, they agree to the OPG's draft plan and give it a certain appraisal. For example, one says: "The action program is indispensable to building a peaceful and prosperous Okinawa." Another said: "We welcome it as a drastic measure for developing an independent economy." On the other hand, quite a few mayors have given their strict views. For example, one said: "No definite plans have been worked out about the utilization of the military land after its return." Another said: "Measures should be worked out to settle issues concerning the livelihood of landowners and base workers after the return of the land used for military bases." And a third said: "Priority should be given to achieving a consensus among prefectural residents." And the fourth said: "We cannot give general approval of the project."

Almost all mayors, including Naha's mayor, have given their approval of the draft project, stating that "all prefectural residents should join in efforts to realize this project."

Urasoe City Mayor Seiko Gibo points out: "Various problems have to be settled. For example, special legislation and financial measures for putting the project into practice should be taken into account." And other mayors say: "To carry out the returned land utilization project, what is indispensable is to have landowners' understanding and cooperation."

On the other hand, there are also strong opinions about the OPG's draft plan. Ginoza Village Mayor Hiroshi Igei said: "Since the project does not conform with the returned land utilization plan the village government has already worked out, it will be necessary to coordinate with landowners and the village government."

Moreover, all the mayors of the 13 cities, towns and villages who have given their answers call for caution in dealing with the issue. They said: "The priority task is to win approval from landowners. And practical measures should be taken to deal with this issue while taking the livelihood of those concerned into consideration."

Japan: Okinawa Assembly Mission Leaves for U.S.

OW2901051996 Tokyo KYODO in English 0341 GMT 29 Jan 96

[FBIS Transcribed Text] Naha, Japan, Jan. 29 KYODO — A mission of the Okinawa Prefectural Assembly left Monday [29 January] for the United States to press for an early resolution of the issue of the huge U.S. military presence in the island in southwestern Japan.

The 14-member mission, which is scheduled to visit Washington and Honolulu during its trip until Feb. 7, will urge U.S. Government officials and legislators to reduce bases in Okinawa and to review a bilateral agreement on the legal status of U.S. Forces stationed in Japan, assembly officials said.

They will also call for more discipline in the U.S. Military in Japan and full compensation for any damage caused by military personnel through accidents or crimes.

The assembly organized a massive rally of residents in October to protest the rape of a local schoolgirl in September, for which three U.S. servicemen are on trial.

Local demands for reduction in the U.S. military presence were fueled earlier this month when a Japanese woman and her two children were killed by a car driven by a U.S. servicewoman which veered onto a sidewalk in an Okinawa town.

Japan: Head of Mission to U.S. on Bases Issue Interviewed

OW2901060496 Naha RYUKYU SHIMPO in Japanese 29 Jan 96 Morning Edition p 2

[Summary of interview with Chiken Kakazu, speaker of the Okinawa Prefectural Assembly and head of the Prefectural Assembly's mission to the United States on U.S. bases issues, by unidentified RYUKYU SHIMPO reporter; place and date not given; first paragraph is RYUKYU SHIMPO introduction]

[FBIS Translated Text] The Prefectural Assembly's mission to the United States on issues relating to U.S. military bases will visit the country from 29 January to 7 February to appeal directly to the U.S. Government and other concerned parties for a solution to the base issues through the reorganization and reduction of bases, a review of the Japan U.S. Status of Forces Agreement [SOFA], and so forth. On the eve of the mission's departure, we interviewed Prefectural Assembly Speaker Chiken Kakazu, who is the head of the delegation, on the significance of this U.S. trip. During the interview, the speaker expressed his determination. He said: "This is the first time in history that a nonpartisan delegation of the Prefectural Assembly will visit the United States to engage in petition activities. We will strongly demand the early return of the Futenma Air Station, in particular." The following is a summary of the interview:

[RYUKYU SHIMPO] What is the significance of this visit of the representatives of the Prefectural Assembly?

[Kakazu] At first, the Japanese government had taken a negative attitude on the base issues. After the 21 October Okinawan people's rally, it has come to understand the position of Okinawa, and has designated the Okinawan problem as a major national issue.

Even in the Prefectural Assembly, some assembly members, particularly those from the Liberal Democratic Party, used to doubt the need to visit the United States in the belief that "the building of a national consensus should take precedence over petitioning the United States." However, after the Japanese government changed its attitude, there is now general agreement among all parties that "there is a definite need to appeal directly." We would like to create the conditions for the U.S. Government to meet the demands of the Japanese side.

This will be the first nonpartisan mission of the Prefectural Assembly to petition in the United States. We will do our best to enlighten the concerned offices about the real situation to seek their understanding. We will exert utmost efforts to create an environment where the Okinawan people can live in peace.

[RYUKYU SHIMPO] What are the main points of your petition activities?

[Kakazu] To change the situation of excessive concentration of bases, we must realize the reorganization and reduction of bases. In particular, Futenma Air Station is adjacent to a residential area, and is thus extremely dangerous. From the point of view of ensuring the Okinawans' safety, we will demand the early return of this facility. We will strongly demand from the U.S. Government that live-fire exercises be discontinued in a small place like Okinawa. We do not want the return of bases in small bits and pieces; we want the early return of bases, starting with those which represent immediate danger, and those obstructing community development.

With regard to the SOFA, there are quite a few issues which can actually be dealt with if only the Japanese and the U.S. Governments are willing to make a review, such as the transfer of custody of suspect criminals, noise, and training air space and sea area. We will ask for early solutions to such problems on the one hand, and appeal for the strict enforcement of discipline and education of the U.S. forces on the other.

[RYUKYU SHIMPO] How about President Bill Clinton's visit to Japan and the Japan-U.S. joint statement on security?

[Kakazu] We will ask that the reorganization and reduction of U.S. military bases be written into the statement, and that the two countries continue to discuss this problem as an important bilateral issue.

If Japan's national interests are being safeguarded by the Security Treaty, Okinawa should not be the only one to make the sacrifice. All Japanese people should share the burden equally. The bases in Okinawa should be reorganized and reduced as much as possible, and if possible, some of them should be relocated to other prefectures.

Japan: USMC Live-Fire Drills Begin; Protesters Demonstrate

OW2901012096 Naha OKINAWA TIMES in Japanese 26 Jan 96 Evening Edition p 1

[FBIS Translated Text] Kin — On the morning of 26 January, the U.S. Marine Corps [USMC] began military exercises at the Camp Hansen training area in Kin Village. In its first round of live-fire exercises this year, the USMC began firing live shells across Prefectural Road 104. Loud explosions rang across the village on the morning after the Okinawa Prefectural Government and local municipalities agreed on an action program for the return of military land and the creation of international cities, in hopes of establishing a "peaceful Okinawa without military bases." The central government plans to relocate and redistribute the live-fire exercises to five Self Defense Forces [SDF] training grounds across the nation by this summer. However, local authorities at municipalities where these SDF training grounds are located have expressed opposition to the government's plan, and it is thus uncertain whether live-fire exercises across Prefectural Road 104 will disappear from Okinawa. Explosions from the live rounds drowned out the voices of local groups who gathered in front of a gate at Camp Hansen to urge that "the Okinawan people should raise their voices to demand the removal of military bases and create a new Okinawa."

The latest military exercises are scheduled to last one day from 0700 hours to 1700 hours local time. It will be the 165th in the series of USMC exercises since Okinawa's reversion to Japan.

Two different local groups began holding a rally early in the morning in front of Camp Hansen Gate 1.

Approximately 100 members of the Okinawa Peace Movement Center [OPMC] gathered and shouted at the base: "Stop all military exercises." OPMC chairman Zenshun Arakaki stressed: "The government and the U.S. military are saying that the exercises will be relocated to mainland Japan but what we firmly demand is the termination of the exercises and not their relocation. We will continue our struggle until U.S. military forces leave Okinawa."

Approximately 60 members affiliated with JCP-line Toitsuren also gathered at the rally. They fanned their spirits, saying: "Let us try to get the four demands of the Okinawa people realized." Zensho Nohara, representative director of the Okinawa Prefectural Peace Committee, said: "This will be an important struggle to inform the entire nation about the burden of military bases and the security arrangement [which the Okinawan people have been forced to shoulder] and to press the government to clarify its position [over handling this problem]. Let us strive to make further progress in this struggle."

The government appropriated 10 million yen in the FY96 budget to fund feasibility studies on whether the USMC live-fire exercises in Okinawa can be relocated to five SDF training grounds, including those in Hokkaido, Fuji (Shizuoka and Yamanashi prefectures), and Hijudai (Oita Prefecture). However, relevant local municipal governments have already expressed opposition to the plan. Although the central government wants to have several SDF training grounds take turns accepting relocation of the USMC exercises, it is likely to face difficulties trying to convince relevant local authorities and the people living there.

Japan: City Wants U.S. Navy Flight Drills Moved to Iwojima

OW2601144496 Tokyo KYODO in English 1342 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — The city of Fussa near the U.S. Yokota Air Base in suburban Tokyo demanded Friday [26 January] that planned drills by carrier-based aircraft be moved to the Pacific island of Iwojima where the U.S. Navy usually holds its exercises.

Fussa Mayor Yahachiro Ishikawa sent a petition to Prime Minister Ryutaro Hashimoto and commanders of the U.S. Forces in Japan demanding cancellation of the three-day drills, slated to begin Wednesday at Yokota Air Base and to last four hours each day.

"Yokota Air Base is first of all an exercise ground for the Air Force and we cannot allow that drills by carrier-based planes to become established here," the petition said.

"We want that from now the exercises be held at the U.S. Navy base on Iwojima," it said.

Japan: Landowners Oppose Early Return of U.S. Bases

OW2201004296 Naha RYUKYU SHIMPO in Japanese 20 Jan 96 Morning Edition p 31

[FBIS Translated Text] Ginowan — On the afternoon of 19 January, representatives of the Ginowan City Military Landowners' Association (chaired by Seizen Hanashiro; with a membership of about 2,900) met with Ginowan Mayor Seiken Tobaru and City Assembly Chairman Masahito Isa. At the meeting, they opposed the "early return to Okinawa of all military facilities," including Futenma Air Station in Ginowan, since there are currently no concrete plans for the development of military land after they are returned. They demanded that the city office ask the central government for the revision of the law to promote the use of military-occupied land for other purposes.

This is a part of movements by 27 municipalities with military bases against the prefectural government's action program for the return of U.S. military bases to Okinawa. They have promoted the movements in line with the Okinawa Military Landowners' Association's policy.

Japan: Hashimoto Urges Yeltsin To Solve Territorial Dispute

OW2701004096 Tokyo KYODO in English 0023 GMT 27 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 27 KYODO — Prime Minister Ryutaro Hashimoto on Friday [27 January] urged Russian President Boris Yeltsin to show renewed determination to build bilateral relations based on the "Tokyo Declaration" that calls for an early solution to a long-standing territorial row between the two countries.

In a message sent to Yeltsin through the Japanese embassy in Moscow, Hashimoto called on Russia to face squarely the task for resolving the territorial deadlock over four Russian-held islands off the northern main island of Hokkaido, government sources said.

Hashimoto has also expressed hope that, if circumstances in the Diet allow him, he will attend a Moscow summit April 19-20 of seven major economic powers plus Russia on nuclear power safety.

Under the Tokyo Declaration issued in 1993, the two countries have vowed to seek an early solution to the territorial issue based on "principles of law and justice."

Yeltsin said at his 1993 meeting in Tokyo with then Prime Minister Morihiro Hosokawa that Russia would withdraw its troops from the disputed islands with the exception of border guards.

Despite Yeltsin's statement, however, Russia has not yet pulled out all its troops from the islands.

In the message sent as a reply to Yeltsin's congratulatory telegram Jan. 16 to his assuming premiership, Hashimoto also said Japan will continue extending support to Russia as long as the country keeps its reform-oriented policies on track.

The dispute over sovereignty of the four islands — Shikotan, Kunashiri, Etorofu and the Habomai group of islets — has been the principle stumbling block to the two countries signing a bilateral peace treaty.

Japan has long demanded the return of the islands, which were captured by Soviet troops at the end of World War II.

Japan: Hashimoto 'Deeply Regrets' French Nuclear Test

OW2801041696 Tokyo KYODO in English 0401 GMT 28 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 28 KYODO — Prime Minister Ryutaro Hashimoto said Sunday [28 January] he deeply regrets that France conducted another nuclear test in the South Pacific and has given instructions to file a protest with the French ambassador in Tokyo.

"It's extremely regrettable. Since they have not said that this latest test will be the last, we have to rely on the power of international opinion to make them halt the tests," Hashimoto told reporters as he left his official residence.

Hashimoto said the news spoiled his day after being told of the test around 6.50 a.m. Sunday, some 20 minutes after the nuclear explosion took place in the South Pacific.

The test at Fangataufa Atoll on Saturday at 12:30 p.m. local time was the sixth since France resumed nuclear testing last September in the face of strong protests from governments and environmentalists around the globe.

In Hiroshima, Mayor Takashi Hiraoka said he feels extreme anger over France's latest nuclear test and has sent a protest letter to the French embassy in Tokyo.

In the letter Hiraoka said the tests "perpetuate the development and possession of nuclear weapons technology while achieving nothing but increasing the risk of exterminating mankind."

He said nations must go beyond national interests in security matters and view their actions and policies from a global perspective.

"France has to take the trend of international opinion seriously and renounce the concept of nuclear deterrence," the letter said.

Nagasaki Mayor Itcho Ito told a news conference Sunday the latest test demonstrates that France "ignores the ardent criticism from all over the world and forces through the tests based on its own set of ethics."

He said it is impossible to guarantee that there will be no radioactive leaks coming from the test site. "Whatever our government's measures will be, we, as a city that sustained a nuclear attack, will continue to voice our own stance and to send protest notes," he said.

In front of the French embassy in Tokyo, some 10 antinuclear activists who had staged an overnight vigil in anticipation of another test, condemned French President Jacques Chirac for lifting the test moratorium imposed by his predecessor Francois Mitterrand. They unfolded banners that read "shame on you President Chirac."

A 28-year-old company employee who has participated in overnight protest vigils almost every weekend since the Sept. 5 test resumption expressed dismay at the Japanese Government's response to the testing.

"They should protest much more vigorously and effectively instead of just expressing 'regret' each time," the man said.

Foreign Minister Yukihiko Ikeda summoned France's Charge d'Affaires Denis Gauer to the Foreign Ministry to protest the country's continued nuclear testing, ministry officials said.

Ikeda said Tokyo is gravely concerned that France has conducted two nuclear tests even after the adoption of a resolution by the UN General Assembly in December that called for an end to all nuclear testing, according to the officials.

Gauer said he is not in the position to say if Saturday's test will be the last. "I believe the French Government will reveal its decision within days," he was quoted as saying.

Chief Cabinet Secretary Seiroku Kajiyama issued a statement that read, "we strongly demand that France does not again defy the (antitesting) trend in the international community," and he urged Paris to refrain from further testing.

Japan: Ikeda Holds Talks With ASEAN Representatives

OW2601133996 Tokyo KYODO in English
1301 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — Foreign Minister Yukihiko Ikeda and representatives of the Association of Southeast Asian Nations (ASEAN) agreed Friday [26 January] to build a closer relationship between Japan and the seven-nation regional group.

The accord was reached in a meeting between Ikeda and ambassador-level officials of the ASEAN states — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam, a Foreign Ministry official said.

Saying Japan attaches great importance to its relations with ASEAN, Ikeda expressed hope Japan and ASEAN will be able to have more discussion on international affairs as a whole, according to the official.

Japan: Ikeda 'Unyielding' on Rice Aid Issue to DPRK

OW2901143096 Tokyo KYODO in English
1349 GMT 29 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — Foreign Minister Yukihiko Ikeda was unyielding Monday [29 January] as leaders of the Liberal Democratic Party (LDP) sought a decision on the dispatch of emergency rice aid to North Korea, LDP sources said.

Ikeda said South Korea remained opposed to shipments of food aid to North Korea, which is rumored to be in the throes of a severe food shortage, until there is a change in Pyongyang's anti-Seoul stance.

LDP Secretary General Koichi Kato and Taku Yamasaki, head of the party's policy affairs research council, met with Ikeda on Monday seeking a decision on the third shipment of rice aid to North Korea.

The LDP and ruling coalition partners Social Democratic Party and New Party Sakigake [Harbinger] are considering sending a mission to South Korea to seek Seoul's understanding regarding the rice shipment, but Seoul has made it known through unofficial channels that the mission will not be welcome.

The ruling coalition has started preparations to create a suitable climate for the South Korea visit following a recent visit to North Korea by Sakigake lawmaker Akiko Domoto when North Korea expressed their wish for the rice aid and to resume negotiations to establish diplomatic relations with Tokyo.

Kato has also asked former prime minister and SDP Chairman Tomiichi Murayama to assume the post of the head of the currently inactive Diet Members' League for Japan-North Korea Ties.

Kato and Yamasaki are reportedly seeking to carry out the third rice shipment to North Korea in hopes it will unlock the deadlocked diplomatic normalization talks.

They also reportedly see closer LDP and SDP ties through the request for Murayama to assume the head of the Japan-North Korea lawmakers' group.

The recently concluded Honolulu talks among Japan, South Korea and the United States, however, failed to narrow the differences between the U.S.'s wishes to send rice aid to North Korea and South Korea's opposition to the plan.

Murayama has assumed a relatively passive stance, saying only that as a former prime minister he wants to take a position that can work for peace and stability in all of east Asia.

Japan: High-Ranking DPRK Official Expected To Attend Davos Forum

OW2901033096 Tokyo SANKEI SHIMBUN in Japanese 25 Jan 96 Evening Edition p 4

[FBIS Translated Text] A high-ranking DPRK official is likely to attend this year's annual meeting of the World Economic Forum [WEF] (known as the Davos Forum) to be held in early February in Davos, Switzerland. Since Shoichiro Toyoda, chairman of the Federation of Economic Organizations of Japan, and many other Japanese businessmen will be attending the meeting, it has become possible that some progress may be made in Japanese-DPRK relations in the European Alpine region, a remote location from the Far East.

According to a business circle source, Ri Song-dae, chairman of the DPRK External Economic Affairs Commission, is scheduled to attend the WEF meeting. Ri will certainly be one of the figures to draw much attention at the WEF since he is considered to be in charge of promoting the country's efforts to open itself up to the rest of the world.

So far, none of the Japanese business leaders are scheduled to meet with Ri. However, it is very possible that the DPRK official may seek contact in one way or another. Some Japanese business leaders are showing "interest," saying: "Since this is such a rare opportunity, we would like to meet him, if possible."

Japan: ROK Envoy, Ikeda Exchange Views on DPRK Normalization

OW2901014496 Tokyo NIHON KEIZAI SHIMBUN in Japanese 27 Jan 96 Morning Edition p 2

[FBIS Translated Text] On 26 January, ROK Ambassador to Japan Kim Tae-chi visited Foreign Minister Yukihiko Ikeda at the ministry to check the ruling parties' recent moves toward studying the early resumption of talks on normalizing ties with the DPRK (North Korea) and the third batch of rice aid.

While avoiding any direct mention of the issue, Ambassador Kim said: "Since various moves have been reported recently, I would like to ask you about the Japanese Government's policy toward North Korea." In this way, Kim virtually called for postponing the resumption of Japan-DPRK talks and for sending a delegation from the ruling parties to visit the DPRK. In response, Ikeda informed Kim of the government's plan to deal prudently with the issues of resuming bilateral talks and the third batch of rice aid.

Tokyo Notifies ROK of Planned Exclusive Economic Zone

OW2601141196 Tokyo SANKEI SHIMBUN in Japanese 24 Jan 96 Morning Edition p 1

[FBIS Translated Text] A senior Foreign Ministry official disclosed on 23 January that late last year, the Japanese Government notified the ROK Government of its intention to establish a 200-nautical-mile "exclusive economic zone" [EEZ] in connection with the issue of the ratification of the UN Convention on the Law of the Sea [UNCLS]. While proceeding to gain Diet approval on the ratification of the UNCLS, the government plans to quickly coordinate matters with the ROK and officially notify the latter of the establishment of the EEZ, hopefully by March. Japan's action will undoubtedly refuel a territorial dispute with the ROK over "Takeshima," which has been a pending bilateral issue.

According to the same official, Japan and the ROK held a high-level meeting in Seoul on 26 December on joint studies on the history of relations between the two countries. Ryozo Kato, head of the Foreign Ministry's Asian Affairs Bureau, told Kim Ha-chung, his ROK counterpart, that "the Japanese Government plans to establish an EEZ upon gaining approval of the ratification of the UNCLS at the next ordinary Diet session and to draw the dividing line with Takeshima as the base point." Kato announced that Japan intends to consult the ROK in making the necessary arrangements from now on.

In response, the ROK Government reportedly "remained uncommitted on the unexpectedly tough Japanese stance" (according to a senior Foreign Ministry official).

All this information was not released to the public at all because "studies on the history of relations between Japan and the ROK were ostensibly the topic of discussions at the talks, and moreover, releasing such information could provoke strong reaction in the ROK in connection with the territorial issue" (according to the same official).

So far, Japan has established a 200-nautical-mile fishery zone in line with the "Law on Provisional Measures Relating to the Fisheries Zone." However, it has not established an EEZ "to avoid refueling such territorial disputes as that with the ROK over Takeshima and that with the PRC over the Senkaku Islands" (according to a Foreign Ministry source).

Nevertheless, the UNCLS authorizes a country to establish an EEZ which extends up to 200 nautical miles from its territorial waters (within 12 nautical miles from the coastline). The Japanese Government is thus proceeding with plans to exercise its rights under the UNCLS. However, in cases where one country's EEZ should overlap with that of another, a dividing line is to be drawn in the middle. In the case of Japan and the ROK, both countries will try to draw the dividing line with Takeshima as the base point since both sides claim territorial rights to that island. Therefore, it is certain that the territorial issue will flare up.

The Japanese Government plans to establish an EEZ because, in addition to receiving strong pressure from fisheries-related organizations, it has determined that "the Takeshima issue must be resolved on the occasion of ratifying the UNCLS" (according to a senior Foreign Ministry official). During future consultations with the ROK, Japan plans to take a firm stance in claiming its territorial rights to Takeshima.

Meanwhile, the PRC is expected to ratify the UNCLS by this summer. Japan plans to draw a dividing line with the Senkaku Islands as the base point since it has virtual control over them. However, the PRC is certain to react, and here again, Japan will surely face rough sailing in working things out with that country.

Japan: Zone To Pave Way for Island Talks With PRC, ROK

OW2701100196 Tokyo KYODO in English 0926 GMT 27 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 27 KYODO — A soon-to-be recognized 200-nautical mile exclusive economic zone will lend weight to Japan's claim to islands now the subject of territorial disputes with South Korea and China, government officials said Saturday [27 January].

The economic zone will be recognized once Japan ratifies the UN Convention on the Law of the Sea. The government aims to ratify the treaty during the current Diet session, paving the way for bilateral negotiations with South Korea and China over the islands.

The islands are Takeshima, a small island in the Sea of Japan which South Korea also claims, and the Senkaku Islands, also claimed by China and known as the Diaoyu Islands in Chinese, in the East China Sea.

The officials said that because South Korea and China are likely to react strongly to any claim to the islands by Japan, the Japanese Government is carefully monitoring their reactions in the lead-up to the anticipated Diet ratification of the convention in late March.

South Korea's legislature accepted the convention late last year and China is moving to ratify it in the first half of this year, but their response to Japan's application of the exclusive economic zone is at this stage unclear.

If the zone is established, Japan will have the right to exploit fish and natural resources within it, but the government is taking a cautious stand over the question of whether to limit fishing by South Korean and Chinese interests in the regions.

In recent years, illegal fishing operations by boats from both China and South Korea have increased in seas near Japan, as have the number of attacks and assaults on Japanese boats and their crews in the areas.

The officials said that once the convention is ratified by the Diet, some sectors within the government favor pressing, at bilateral negotiations, for the application of the principle that the country nearest the islands should have sovereignty over them.

The number of governing party members who are pressing for the outright proclamation of the zone and its full fledged application is increasing, the officials said.

The 1982 UN Convention on the Law of the Sea, which went into force last November, obliges all signatories to respect an exclusive 200-mile economic zone off a nation's coasts.

Within their zones, states have the exclusive right to fish or to exploit natural resources such as oil, reclaim land or construct artificial islands.

Based on a preliminary law, Japan has already set up a 200-mile fishing zone off its coasts, but has deliberately exempted the area west of 135 degrees east longitude, where the disputed Senkaku Isles are located, to avoid upsetting China.

Japan: EPA on Upward Trend of Corporate Capital Investment

OW2901113796 Tokyo KYODO in English
1000 GMT 29 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — Japanese corporate capital investment is expected to rise moderately, with the year-on-year increase in the October-December period likely to show a seasonally-adjusted 0.6 percent increase over the previous quarter, the Economic Planning Agency [EPA] said Monday [29 January].

Such investment will further rise to around 3.4 percent in the January-March period over the preceding three months and will increase to around 2.4 percent in April-June, the agency said.

The agency predicted the growth in Japan's corporate capital investment — one of the two key engines for the nation's economy along with personal consumption — based on its quarterly survey of capital spending plans effective Dec. 1.

The survey covered 4,542 companies with a capital of 100 million yen or more, of which 4,359 companies, or 96 percent, replied, the agency said.

The agency said capital spending by manufacturers is likely to show a slightly stronger recovery in the coming months than by nonmanufacturing companies due mainly to rises in the pulp and paper, chemical, and oil and coal industries.

The projected growth by manufacturers in the October-December quarter is 0.9 percent, 3.5 percent in January-March and 1.6 percent in April-June.

Nonmanufacturers' capital investment is expected to decline 0.6 percent in the October-December period because of weak conditions in the agriculture, fisheries and real estate industries, the agency said.

The agency, however, projected a 3.4 percent rise by nonmanufacturers in the January-March quarter and a 3.2 percent increase in the April-June period.

As for all of fiscal 1995, which will end March 31, capital investment plans by surveyed corporations indicated a 4.0 percent rise to 42.4 trillion yen, it said.

An increase of 3.3 percent was predicted in the previous survey conducted Sept. 1, it said.

"Correction of a higher yen against the dollar and a recovery in stock prices seen later last year seemed to help boost corporations' capital investment plans," said an agency official.

The agency, meanwhile, said the "Business Survey Index" based on surveyed companies for the overall economy for the October-December period recovered to 0 from minus 8 in the preceding three months.

The index, however, came to 13 for the January-March quarter and 25 for the April-June period, it said.

The index is calculated by subtracting the ratio of companies expecting declining business conditions from those predicting improved conditions.

Japan: Government Adopts Plan To Liquidate Failed Jusen

OW2901055196 Tokyo KYODO in English
0518 GMT 29 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — Leaders of the government and the three ruling coalition parties adopted a final plan Monday [29 January] to liquidate seven failed housing loan companies [jusen], including the use of additional taxpayers' money, for cabinet approval Tuesday morning, Deputy Chief Cabinet Secretary Kazo Watanabe said.

A meeting of leaders and executives at the government and the ruling parties — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger] — gave the green light to the scheme after being briefed by Finance Minister Wataru Kubo.

Following the planned adoption by the cabinet, the government hopes the Diet will begin discussing at the budget committee of the House of Representatives later Tuesday, Chief Cabinet Secretary Seiroku Kajiyama said Monday morning.

On Friday night, policy-makers of the three ruling parties agreed on the scheme stipulating that the costs of disposing of losses that could emerge in the process of collecting outstanding loans of the virtually bankrupt mortgage companies should be split equally between the government and the private sector.

With the liquidation of the seven mortgage companies, loans identified as irrecoverable will be written off, while other loans, including those difficult to recover, will be transferred to a vehicle to be created by the private sector.

Since the losses that could emerge in the process of collecting loans are expected to total at least 1.24 trillion yen, it is highly likely that the amount of taxpayers' money to be used for the scheme will top 1 trillion yen, including the 685 billion yen the government has already set aside under its fiscal 1996 budget.

At the end of December, the government decided to use the money to help cover losses stemming from the write-off of 6.27 trillion yen in irrecoverable loans as well as 140 billion yen in liabilities of the seven firms.

The government has submitted to the Diet the 75.1 trillion yen budget for fiscal 1996, beginning April 1, but the lower house budget committee has not yet begun discussions.

The opposition parties, Shinshinto (New Frontier Party) and the Japanese Communist Party, said Friday they will boycott debate by the key Diet panel on the controversial plan to liquidate the housing loan companies if the government does not provide more information on the issue.

Japan: Hashimoto Answers Diet Questions on Jusen Liquidation

OW2701034996 Tokyo NHK General Television Network in Japanese 0300 GMT 26 Jan 96

[Announcer-read report with recorded portions; from "NHK News" program]

[FBIS Translated Excerpt] At today's plenary session of the House of Councilors, party representatives asked questions about the prime minister's keynote speech to the Diet.

On measures to deal with special housing loan corporations [jusen], Prime Minister Ryutaro Hashimoto said that the introduction of public funds was not meant for saving financial institutions affiliated with agricultural cooperatives, but for stabilizing the financial system by liquidating bad loans.

[Begin recording] [Maki Murasawa of the Social Democratic Party] It seems that some officials of financial institutions and government agencies concerned are saying that the government decided to use public funds to save the financial institutions affiliated with agricultural cooperatives. This is something that I just cannot ignore.

[Hashimoto] After carefully studying the situation over and over again, the government approved the concrete liquidation measures, including introduction of public funds, to stabilize the financial system, secure trust at home and abroad, protect depositors, and, at the same time, put the economy on the path to full-scale recovery. The liquidation measures accompanied by financial expenditures are based on the ideas I just explained. They are not meant for saving the financial institutions affiliated with agricultural cooperatives. [end recording] [passage omitted on Murasawa's question on alleged radiation leaks at France's nuclear test site].

Japan: Investment Club Formed Defying Ministry's Warning

OW2701112596 Tokyo KYODO in English 1023 GMT 27 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 27 KYODO — A group of 17 economic analysts, academics and corporate executives inaugurated Japan's first investment club in Tokyo on Saturday [27 January], defying a Finance Ministry warning of a possible law violation.

The establishment of the group, named Japan Investment Club, was endorsed by the Japan Association for Individual Investors, a group formed by about 700 individual investors.

Keitaro Hasegawa, an economist and head of the association, contended that no law prohibits the formation of an investment club.

The Finance Ministry warned that the club's operations could constitute a violation of the Securities Investment Trust Law which prohibits an individual from investing in securities on behalf of others without a license.

Investment clubs are popular in the United States and the Japan Securities Dealers Association has been studying the possibility of establishing investment clubs since April last year as part of a package designed to reactivate stock trading.

Members of the newly inaugurated investment club will contribute 10,000 yen monthly for investment in stocks.

The club will continue to operate for a three-year period, which can be extended, and net earnings will be shared among its members, association officials said.

Japan: Hashimoto, Kato Agree No Election Over 'Jusen' Issue

OW2601150696 Tokyo KYODO in English 1449 GMT 26 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — Prime Minister Ryutaro Hashimoto and a key coalition leader agreed late Friday [26 January] not to dissolve the Diet for a snap general election over a controversial government scheme to use taxpayer money to wind up crippled mortgage companies or "jusen."

The agreement came at a two-and-a-half-hour tete-tete between Hashimoto and Koichi Kato, secretary general of Hashimoto's Liberal Democratic Party, at a Tokyo restaurant, party sources said.

Hashimoto and Kato also shared the view that the government should implement the scheme without any change under the fiscal 1996 state budget, the sources said.

The scheme calls for the government to set aside 685 billion yen in taxpayer money to liquidate seven housing loan companies saddled with mountains of bad loans.

Hashimoto and Kato also agreed to maintain close contact with the U.S. in resuming negotiations talks with North Korea on normalizing bilateral ties, the sources said.

Japan: Coalition, Opposition Agree To Start Diet Debate

OW2901100496 Tokyo KYODO in English
0924 GMT 29 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — The ruling coalition and opposition parties agreed Monday [29 January] to start Diet debate Tuesday on the 75.1 trillion yen budget for fiscal 1996, which includes a plan to liquidate seven housing loan firms, parliamentary sources said.

The agreement to begin deliberations in the House of Representatives budget committee came at a meeting of senior officials of the lower house steering committee, the sources said.

Details of the agreement were not immediately known.

The opposition had demanded prior to the agreement the government of Prime Minister Ryutaro Hashimoto submit more detailed information on the plan to liquidate the housing loan firms, known as "jusen."

Critics of the bailout plan said previously released information, requested by Shinshinto (New Frontier Party), was not sufficient in explaining how the government calculated the amount of money needed for its bailout plan.

The ruling coalition of the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger] agreed earlier in the day on a new plan to collect losses at the housing loan firms, which is scheduled for cabinet approval on Tuesday.

A senior Finance Ministry official explained the plan at a meeting of senior members of the lower house steering committee.

The most controversial issue is the use of 685 billion yen in taxpayers' money the government has earmarked in the fiscal 1996 budget for the liquidation plan.

The seven housing loan firms incurred huge debts in the late 1980s when the "bubble economy" collapsed, leaving the firms virually insolvent because the values of their property holdings dropped sharply.

Japan: Former Komeito Members Form Faction Within NFP

OW2901001096 Tokyo ASAHI SHIMBUN
in Japanese 24 Jan 96 Morning Edition p 2

[FBIS Translated Text] There are now signs of "tripolarization" within the New Frontier Party [NFP] in view of the recent inauguration of a policy study group led by former Prime Minister Tsutomu Hata, and the fact that a group of party members formerly belonging to the defunct Komeito [Clean Government Party] is strengthening their unity, with the goal of creating another study group after the end of the regular Diet session.

During a speech at the regular Yuaikai general meeting on 23 January, NFP President Ichiro Ozawa said: "The NFP is a conglomeration of groups. It cannot be helped that various things will happen. If we share the same ideology and policies, the only question left is human relations. I would also like to pay attention to this aspect."

The NFP leadership headed by Ozawa, which is challenging the Hashimoto cabinet in the Diet session, will probably need to devote substantial efforts to maintaining party unity.

The NFP controls 226 seats in both houses of the Diet. When the "Hata Group" was inaugurated on 22 January, 57 Dietmen, including those who sent their proxies, attended the gathering. Hata declared that he intends to adopt a "free and unbiased" attitude toward the NFP leadership. Senior officials of this faction predict that "the membership of the group is sure to grow to more than 60 eventually." It will then have considerable influence over party management.

On the other hand, there are 57 NFP members formerly belonging to Komeito. These Dietmen hold regular meetings with the executive committee of "Komei," which consists of local assemblymen [formerly affiliated with the Komeito].

In the party presidential election last December, this group was divided between the Ozawa and the Hata camps. As the ruling parties pursued efforts to summon Daisaku Ikeda, honorary chairman of the religious group Soka Gakkai [Komeito's main support base], to testify in the Diet, this group maintained equal distance between Ozawa and Hata, while also keeping its mind open about the possibility of reconciliation with the Liberal Democratic Party. These seem to represent their efforts at preparing for forthcoming changes in the political situation.

However, there has been some progress in intraparty coordination in the NFP, involving even those belonging to the Hata Group and the group of former Komeito Dietmen, with regard to the selection of official candidates for the next lower house election. The current circumstances make it difficult to take action that may disrupt party unity. The prevailing view is that the group of former Komeito members do not actually have a clear picture of their future prospects; their goal is "mainly to secure their position in all areas." (according to a senior NFP official)

Japan: MITI Report Says Industrial Output Recovering

OW2901094896 Tokyo KYODO in English 0843 GMT 29 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — Japan's industrial production in December posted a monthly rise for the third consecutive month, indicating brighter economic prospects in the upcoming months, the Ministry of International Trade and Industry (MITI) said in a preliminary report Monday [29 January].

MITI said output at Japan's factories and mines for the reporting month rose 0.8 percent from November, better than an initially projected rise of 0.5 percent, to an index reading of 96.4 against the base of 100 for 1990.

With the December figure, the nation's production for all of 1995 came to an index reading of 95.0, up 3.3 percent over the previous year, marking the second consecutive yearly rise, it added.

The ministry said "production is recovering," in a judgment marking a step forward from that of November.

A ministry official said the government's pump-priming measures implemented in September and the stabilized value of the yen against the dollar in the latter half of the year also helped the production situation.

Such favorable effects will continue in the upcoming months and help corporate profitability, thereby stimulating capital spending.

The ministry projects that industrial output will continue rising in January by 1.1 percent and in February by 1.0 percent. If such a projection materializes, it will be the first pickup in production for five months running since a streak of eight months from February to August of 1990, the official added.

The ministry said the firm increase in production in December was due mainly to brisk output in the category of metal products, which rose 5 percent from the previous month. The category includes such items as kerosene stoves, bridges and steel pipes.

Output was also active in the electronics machinery category that includes semiconductors, and communication relay facilities for mobile phones, particularly for personal handy-phone systems. Output in the category rose 0.9 percent on the month.

Another brisk area in output was the steel category that surged 1.5 percent over the previous month, the ministry said, adding that the rise was the biggest since March 1995.

Turning to industrial shipments during December, the ministry said they grew 0.7 percent over the previous month, with an index reading of 98.4 against the base of 100 in 1990.

It was the first rise for three straight months since January to March 1994.

The ministry official said it was also the first time since may to August in 1990 that both output and shipments marked three straight months of increase.

Inventories picked up 1 percent, turning from a drop of 1.2 percent in November, to an index of 109.3.

The ministry official said the pickup in inventories was apparently "unintended inventories," meaning products were left unsold.

That area will require close attention from now on, the official added.

Japan: 'News Focus' Views Nation's Labor Productivity

OW2701044996 Tokyo KYODO in English 0206 GMT 27 Jan 96

["News Focus: Excellence of Japan's Labor Productivity Questioned"]

[FBIS Transcribed Text] Tokyo, Jan. 23 KYODO — While the Japanese are losing confidence in their economic power amid a prolonged business slump, most still seem to look on productivity as their strong point, given internationally competitive export items and a mammoth trade surplus.

But this long-held conviction is now being challenged, with conflicting reports emerging over the productivity of the Japanese labor force.

Japan ranked 10th among 12 industrial economies in terms of labor productivity in 1993, according to a report compiled in September by the Japan Productivity Center for Socio-Economic Development, a private research agency.

The report compares productivity in 11 of the 25 member states of the Paris-based Organization for Economic Cooperation and Development — including the United States, France and Australia — as well as South Korea.

The U.S. topped the list of 12 countries with an index reading of 138, followed by Canada at a reading of 125 and Italy at 123, the survey showed. The index takes Japan as a baseline of 100.

Japan has fared poorly since 1989, when the institute began compiling the annual international survey on productivity. After coming in ninth in 1992, it slid to the 10th slot the year after when it was passed by Britain.

Labor productivity is defined here as real gross domestic product (GDP) divided by the number of workers. Exchange rates are weighted according to the purchasing power of each currency, with the dollar-yen rate set at 221.9 yen to the dollar.

In the 1992 survey, the latest report in which productivity comparison is available for different industrial sectors, Japan's manufacturing industry ranked sixth, compared with the third place registered the year before.

U.S. manufacturers grabbed the crown at an index reading of 121, followed by Britain at 115 and Belgium at 105.

Japanese nonmanufacturers did worse than manufacturers. They ranked 11th in the agricultural, forestry and fishery sector and came in 10th in the transport and telecommunications sector.

The U.S. topped the list in the two categories. Belgium ranked second in the farming sector and third in the transport and telecom sector, while Britain came third and second, respectively.

Poor showing by the Japanese seems to belie the public assessment of their productivity, which could partly be explained by adverse effects of an economic slump that pushed down Japan's 1993 GDP by 0.2 percent from the year earlier.

"Low-productivity sectors protected by regulations are weighing heavily on the overall performance," says Kuniyoshi Sasaki, executive director of the productivity research institute, an arm of the Japan Productivity Center.

Manufacturing-sector productivity is weak "because of wide discrepancies among (the performances of) companies of different scales," Sasaki said.

However, there are analysts who argue the productivity of the Japanese manufacturing sector should be strong.

"It's inappropriate to measure the productivity of different industries without taking into account gaps among their purchasing powers," says Masao Yokomizo, chairman of the Nikko Research Center, a Nikko Securities Co.-affiliated think tank.

The purchasing power-weighted dollar-yen rate was 154.5 yen to the dollar in 1991 for the manufacturing sector, compared with 193 yen for the entire industry. Gauged with the rate, Japan's manufacturing productivity came to 109, against the U.S. base of 100.

"While it's true that Japanese nonmanufacturers are low in productivity, there's no doubt about the high productivity of the manufacturing sector," Yokomizo said.

However, the Japanese Government's "white paper" on the economy for 1995 paints a different picture on this point.

The report compares the productivity of different industrial sectors in Japan and the U.S. using purchasing power by sector, as does the Nikko survey. But Japan's manufacturing productivity was 96.5 in 1991 and 85.7 in 1993, against the U.S. base of 100.

The differences between these reports stem from the fact that purchasing power-weighted exchange rates vary depending on what conditions are used for calculating the rates, making international comparison of labor productivity extremely difficult.

But the Japan Productivity Center, Nikko and government surveys all argue Japan's nonmanufacturing productivity is low, pushing down the figure for the entire industry. While manufacturing productivity is fairly high, analysts are divided on whether it beats U.S. levels.

It is because of this economic inefficiency that the Japanese cannot be fully satisfied with their livelihood, says Yasushi Harada, head of the Economic Planning Agency's social research division.

"Low productivity in fields secluded from international competition is bringing about price discrepancies between at home and abroad, and causing the dollar-yen exchange rate to deviate from purchasing power parity," he said.

To improve their living standards, the Japanese have to boost productivity in nonmanufacturing and other sectors by forging ahead with deregulation and reviewing the entire social system, analysts say.

North Korea

DPRK Paper on 'Threat' of U.S. 'Bellicose Elements'

SK2701043596 Pyongyang KCNA in English 0422 GMT 27 Jan 96

["The U.S. Urged To Renounce Policy of Strength Against DPRK" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA) — The United States must not misjudge the peace efforts of the Democratic People's Republic of Korea as a token of its weakness but clearly see the situation and renounce the policy of strength towards it, urges the newspaper NODONG SINMUN today.

In an article blasting the bellicose elements of the United States for their military moves, the paper says:

They carried out a large-scale joint marine drill with the South Korean puppet army on the West Sea off South Korea [Yellow Sea] on January 20 and started a joint integrated command post exercise with the Japanese "self-defence forces" on a U.S. military base in Japan on the 25th.

They also plan to stage nuclear-capable bombers' drills in the air above South Korea in February.

The U.S. military threat and blackmail against the DPRK, which have been escalating from the beginning of the new year, indicate that the U.S. continues harbouring a foolish intention to stifle the DPRK with strength.

The U.S., in a bid to justify its military adventure, is clamouring about "instable" situation of northeast Asia and "military threat" from the DPRK.

Who should take the blame for the instable situation of the Korean peninsula is not the DPRK but the U.S. and the belligerent forces following it.

Motivated by the intention to stifle the DPRK, the U.S. has persistently rejected the DPRK's realistic and fair proposals for peace in the Korean peninsula.

Now it is charging not only the DPRK but other countries with alleged "threat". The fact makes it clear that the U.S. moves to stifle the DPRK are the prelude to its next-stage moves for military interference in Asia.

If the bellicose elements of the U.S. military continue recklessly aggravating the situation of the Korean peninsula and its vicinity with military threat, nuclear threat, it will overshadow a smooth implementation of the DPRK-U.S. framework agreement and get on the nerve of our people and army regarding the dignity and sovereignty of the country as their flesh and blood, causing irrevocable consequences.

DPRK Foreign Ministry Rejects Wassenaar Arrangement

SK2901150496 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 29 Jan 96

[FBIS Report] A spokesman for the DPRK Foreign Ministry issued the following statement in connection with the fact that some Western countries, including the United States, and some East European countries recently undertook a conspiracy in Wassenaar, the Netherlands, and adopted a final declaration on inaugurating a so-called Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, finding fault with our Republic and scheming to include us among the nations to be controlled by the organization.

Statement by a spokesman for the DPRK Foreign Ministry:

Some Western countries, including the United States, and some East European countries recently undertook a conspiracy in Wassenaar, adopting a final declaration on implementing a so-called Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, and finding fault with other countries, including us.

Right after the Coordinating Committee for Exports to Communist Areas (Cocom) was dissolved at the end of the East-West Cold War, the United States convened Western countries and some East European countries to inaugurate an organization to replace the Cocom, tentatively naming the organization a new forum.

The inauguration of the Wassenaar Arrangement is the fruition of the new forum that has been pursued by the United States.

The United States and other founding member nations of the new organization describe the inauguration of the organization as if it were aimed at preserving international and regional security and peace through export controls for conventional arms and dual-use goods and technologies.

The process of the inauguration of the arrangement, however, clearly reflects the ulterior intention of some countries to monopolize global markets for weapons and commodities and stifle those countries that aspire to be independent.

The United States and other Western countries are engaged in a fierce arms race, while bringing conventional arms and military and civilian dual-use goods and technologies under their monopoly control on an international scale. Such countries include those that try to increase arms exports in a bid to bridge the difficulties caused by their policy of restoring capitalism.

The weapons and military hardware supplied by these countries expose world peace and security to serious threats. The accelerated arms race is greatly wrecking regional stability.

South Korea's situation is patent proof.

The large quantities of weapons of mass-destruction and other equipment the United States and some other countries supply to the South Korean authorities each year are being used in preparations for a new war against our Republic. This is aggravating the situation on the Korean peninsula.

If the United States and other Western countries are truly interested in safeguarding world peace and security, they must give up money-making through the international arms market.

The new organization targets the developing countries that go against the wishes of the United States and Western countries. This is clearly proved by the fact that they try to name specific countries as black nations or black regions to be controlled by the organization.

This is an attempt to pressure those countries that do not meekly obey the orders of the United States and other Western countries and to isolate, weaken, and crush them by branding them international renegades.

It must not go unnoticed that the United States has taken the lead in a tenacious effort to find fault with and include our Republic in the list of countries to be controlled by the new organization.

The Wassenaar Arrangement is, in essence, the declaration of a new Cold War.

The inauguration of the new organization will no doubt divide the world again into a pro-Western and an anti-Western alliance, and give rise to a new form of arms race and arms competition.

Under this situation, the countries outside the new organization will have to expand cooperation in the domain of military, economic, and technological exchanges.

We have constantly consolidated our style of socialism, despite sanctions by Cocom and other Cold-War mechanisms produced by the United States and the Western world over the last decades.

We have strong defense capabilities based on a powerful independent national economy, which are instrumental in reliably defending our socialism.

If it becomes clear that the new organization is opposed to the DPRK, we will have to take a new countermeasure.

This is a legitimate exercise of our right to existence, for which no one can blame us.

We will watch future developments.

[Dated] 29 January, 1996, Pyongyang

DPRK Ministry on 'Countermeasure' to 'Wassenaar Arrangement'

SK2901051396 Pyongyang KCNA in English 0503 GMT 29 Jan 96

["Countermeasure to Wassenaar Arrangement Is Exercise of Right to Existence: Foreign Ministry Spokesman" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA) — The spokesman for the Foreign Ministry of the Democratic People's Republic of Korea issued the following statement today denouncing the "Wassenaar Arrangement" recently inaugurated by U.S.-led Western countries and some East European countries:

U.S.-led Western countries and some East European countries met in Wassenaar, the Netherlands, some time ago and adopted a "final declaration" on the inauguration of "Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies," which is obviously against the DPRK.

Right after the "Coordinating Committee for Export to Communist Area" (Cocom) was dissolved with the end of the East-West Cold War, the United States manipulated the efforts to inaugurate a "new forum" involving Western countries and some East European countries to replace the Cocom.

The inauguration of the "Wassenaar Arrangement" is a reality of the "new forum."

The U.S. and other member nations of the new organisation talk as if it were aimed at preserving international and regional security and peace through export controls for conventional arms and dual-use goods and technologies.

The process of the inauguration of the arrangement, however, clearly shows that it reflects the ulterior intention of some countries to monopolise the world markets of weapons and commodities and stifle those countries which are resolved to take an independent course.

It is the U.S. and other Western countries that are getting overheated in arms race while bringing conventional arms and dual-use goods and technologies under their monopoly control on an international scale. Such countries include those countries which try to increase arms exports in a bid to bridge over the difficulties caused by their policy of restoring capitalism.

The weapons and military hardware supplied by these countries expose world peace and security to serious threats. The accelerated arms race is considerably wrecking regional stability.

The situation of South Korea is a patent proof.

The large quantities of mass-destruction weapons and other equipment the United States and some other countries supply to the South Korean authorities every year are used in preparations for new war against the DPRK. This is aggravating the situation on the Korean peninsula as the days go by.

If the U.S. and other Western countries are truly interested in world peace and security, they must give up money-making through international weapons market.

The new organisation targets the developing countries that go against the grain with the U.S.-led Western countries. This is clearly proved by the fact that they try to name specific countries as "black nations" or "black regions" to be controlled by the organisation.

This is an attempt to put pressure on those countries which do not meekly obey the orders of the U.S. and other western countries and to isolate, weaken and stifle them by branding them as "rascals" of the international community.

It must not go unnoticed that the U.S. takes the lead in a tenacious effort to include the DPRK in the "list of countries to be controlled" of the new organisation.

"Wassenaar Arrangement" is, in essence, declaration of a new Cold War.

The inauguration of the new organisation will no doubt divide the world again into a pro-Western alliance and an anti-Western alliance and give rise to a new form of arms race and arms competition.

Under this situation, the countries outside the new organisation will have to expand cooperation in the domain of military, economic and technological exchanges.

We have constantly consolidated our socialism despite sanctions by "Cocom" and other Cold-War mechanisms produced by the U.S.-led Western countries over the last decades.

We have strong defence capabilities based on a powerful independent national economy, which are instrumental in reliably defending our socialism.

If it becomes clear that the purpose of the new organisation is against the DPRK, we will have to take a new countermeasure.

This is a legitimate exercise of our right to existence, for which no one can blame us.

We will watch the future developments.

DPRK Denounces U.S.-ROK Antisubmarine Exercise

SK2601223796 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 20 Jan 96

[Commentary by Yun Pyong-son: "Dangerous Fire Game"]

[FBIS Translated Text] Another South Korea-U.S. large-scale joint anti-submarine exercise began in the sea of South Korea on 20 January. According to reports, the war exercise is being conducted in the sea between Huksan Island and (Pungnyolbi) Islands and will last until 29 January. It will reportedly develop into a large war frenzy in which two submarines, nine warships including naval destroyers, and four patrol planes of the U.S. Seventh Fleet will destroy targets around the area.

The United States and the South Korean puppets will also reportedly conduct a large-scale joint naval exercise in South Korean waters for five days beginning 13 February. As has been learned, a U.S. nuclear-powered submarine recently arrived in the Port of Chinhae, South Korea and conducted a large joint anti- submarine exercise with the puppets.

The series of war exercises that has been conducted since the beginning of the year is an open military threat against us, and it shows the U.S. and South Korean puppets' frenzy for a new war provocation. The U.S. imperialists and the South Korean puppets are conducting these war exercises under the pretext of coping with the so-called threat from the North. However, such a pretext will go nowhere.

Our sincere efforts to ease tensions and prevent the danger of war on the Korean Peninsula and to achieve peace and peaceful reunification of the country are well known to the world. Furthermore, we put forward a proposal for replacing the old armistice system with a new peace mechanism to guarantee durable peace on the Korean Peninsula and have made all possible efforts to realize it. It is clear that our peace-loving efforts cannot be a threat to someone else.

Nonetheless, about 40,000 U.S. troops and nearly 1 million puppet troops have assumed a war position in South Korea, where some 1,000 nuclear weapons are deployed. Being endlessly engaged with a large- scale arms buildup and war exercises of simulated northward invasion, the U.S. imperialists and the South Korean puppets are threatening us. Yet we do not conduct arms buildups or deploy weapons for war and have suspended the construction of atomic power plants in accordance with the DPRK-U.S. agreed framework.

As is shown, only a threat of northward invasion, not southward invasion, exists on the Korean Peninsula, and war threats are coming from the South against the North. The so-called threat from the North that the U.S. imperialists and the South Korean puppets are talking about is a sophistry created to justify their war maneuver for northward invasion and to prepare a ruse for their new war provocation. It is nothing but a new scheme. The theory of a threat from the North about which they are talking is a theory of northward invasion when stated reversely.

The ongoing large-scale joint anti-submarine exercise by the U.S. imperialists and South Korean puppets is a deliberate fire game aimed at implementing their war policy of northward invasion. The United States and the South Korean warmongers are trying to light the fuse of war of northward invasion by any means. The situation of the Korean Peninsula is being driven into an unpredictable and dangerous phase because of the reckless maneuvers of a new war provocation by the U.S. imperialists and the South Korean puppets.

The Kim Yong-sam ring — which faces a ruinous crisis while being denounced as a conspirator in the secret fund scandal and as the protector of the culprits of the 18 May massacre — may provoke a war in collusion with outside forces to break the deadlock. None can guarantee that it will not.

We are carefully watching the warmongers' reckless war commotions with great alertness. Our people value peace, but never beg for it. We are ready for both war and dialogue. If the U.S. imperialists and the South Korean puppets provoke a new war in this land while expecting something from their military adventure, they will be burned to death in the flames of war. The warmaniacs should look straight at the reality instead of recklessly running wild.

DPRK Denounces 'Provocative' U.S.-ROK War Exercises

SK2801065096 Pyongyang KCNA in English 0639 GMT 28 Jan 96

["War Exercise and Military Provocation Against North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA) — The U.S. imperialist warmaniacs and the South Korean puppets staged a provocative joint anti-submarine offensive operational exercise simulating a northward invasion in the West Sea [Yellow Sea] of Korea on January 25 and 26 under the support of an overseas-based P-3 patrol plane, military sources said.

On January 26, an overseas-based RC-135 strategical reconnaissance plane committed electronic and photographing espionage on operational and strategical targets of the North in the skies above South Korea, making a long-hour shuttle flight between the east and the west along the Military Demarcation Line.

On the same day, puppet army soldiers armed with machine guns and automatic rifles sneaked into the Demilitarized Zone South of the central sector of the front, took combat positions and leveled their guns at the North side for many hours, seriously threatening the personal safety of the North side's civil policemen.

The U.S. imperialist warmaniacs and the Kim Yong-sam group are making foolish attempts to stifle the DPRK with strength. They, however, must clearly know that their attempt will result in digging up their own graves and act with discretion.

DPRK: Former ROK DLP Official Chong Defects

SK2701045496 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 26 Jan 96

[FBIS Translated Text] Compatriot Chong Un-yong, 48, who was the director of a department of the former Democratic Liberal Party [DLP] of South Korea, defected to the northern half of the Republic yesterday. Functionaries of sectors concerned gave bouquets to him and warmly received him with fraternal love.

Compatriot Chong Un-yong's hometown is Sindong, Ipsan, North Cholla Province. He graduated from Kyonghui University; he worked at the North Cholla Provincial Education Office and at a lawmakers office. He also worked for the former Liberal Justice Party and DLP offices as director of the performance department, director of the youth department, and director of the propaganda department. He had operated a restaurant in Iksan, North Cholla Province, until he defected to the North. He left his mother, siblings, wife, and two daughters in South Korea.

With regard to the motive of his defection, he said: While working in political, social, and business circles in South Korea, my experience made me realize that the South Korean society is a reactionary and anti-popular mass society engaged in illegal profiteering, with Chongwadae [presidential offices] as the center, as well as a rotten and diseased society where one can survive only by deceiving others and where fraud and impostors run rampant. The more I became disillusioned with the irregularities and corruption of the South Korean political forces and comprador plutocrats who are trying to maintain the dictatorial system and who are pursuing private gain, the more I was attracted by North Korea, where the working popular masses enjoy happy lives to their hearts' content as audacious masters of the state and society. I defected to North Korea via a third country with the determination to fight for the independent and peaceful reunification of the fatherland while enjoying a true human life in the bosom of the respected General Kim Chong-il who practices masses-oriented genuine politics.

He said he was very glad to realize his desire for defection.

DPRK: Former ROK Party Official Visits Mansu Hill

SK2901144996 Pyongyang KCNA in English 0409 GMT 27 Jan 96

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA) — A compatriot Chong Un-yong, former head of the office of the "Democratic Liberal Party" of South Korea, who came over to the northern half of Korea on January 25, visited the statue of the great leader President Kim Il-song on Mansu Hill here to lay a bouquet of flowers and make a bow.

DPRK: 'Disillusioned' ROK Fishermen Defect

SK2801034396 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 28 Jan 96

[FBIS Translated Text] A group of South Korean fishermen defected to the northern half of the Republic aboard a fishing vessel. The report said the seamen left Songsan Port on Cheju Island aboard the fishing vessel 707 Taeyong around the end of last year; sailed north, experiencing various hardships at sea; and arrived at Kim Chaek Port on the East Sea [Sea of Japan].

The seamen were disillusioned by the disorderly South Korean society where irregularities, fraud, and abuse of government power and money are rampant. They made various efforts to defect to the northern half of the Republic, which they yearned for for a long time. Taking advantage of the opportunity of going to sea to fish, they courageously put into practice their patriotic act, according to the report.

The seamen who came to the bosom of the respected and beloved General Kim Chong-il are rejoicing over the fact that their longing for defection has been realized.

DPRK: Defecting ROK Fishermen Welcomed in Kim Chaek

SK2801110096 Pyongyang KCNA in English 1005 GMT 28 Jan 96

["S. Korean Fishermen Welcomed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA) — Working people in Kim Chaek City on the east coast of Korea warmly welcomed South Korean fishermen's arrival at Kim Chaek Port today.

The fishermen defected to the North aboard the fishing boat "707 Taeyong."

They were master Kim Chong-on, Chief Engineer Kim Chong-hyon and crewmen Ko Chon-kwon and Yi Kil-sim.

They had left Cheju Island in the southernmost tip of Korea and made their way through the South Sea and the East Sea toward the North, combating manifold difficulties.

At eleven a.m. the South Korean fishing boat, conducted by a pilot ship, arrived at the wharf, when working people, young people and pupils welcomed them, waving flowers and shouting "welcome" and "glad to see you."

The fishermen shouted "Long live the Democratic People's Republic of Korea" and "Long live the Great Leader General Kim Chong-il." They were excited and happy that they were now under the care of the DPRK.

The master of the boat said, "Now we are here in the DPRK, which we have always longed for. I feel as if I were in a dream."

The chief engineer said, "In South Korea we fishermen have lived a life unworthy of humanity. We are very grateful for the kind welcome we enjoyed for the first time in our life."

Ko Chon-kwon said, "We have done nothing for national reunification, but the northerners welcomed us. We are very grateful."

Yi Kil-sim said she would live a worthy life like the northerners, upholding the Great General Kim Chong-il.

The fishermen laid flowers and paid respects before a picture of the Great Leader President Kim Il-song in the city.

ROK Fishermen Who Defected to DPRK Interviewed

SK2801085596 Pyongyang KCNA in English
0840 GMT 28 Jan 96

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA) — The South Korean fishermen who defected to the North on board the fishing boat "707 Taeyong" met reporters today in the east coastal city of Kim Chaek, North Hamgyong Province.

Boarding the fishing boat, which had engaged in fishing in the sea off Cheju Island, were master Kim Chong-on, 37, and his wife Yi Kil-sim, Chief Engineer Kim Chong-hyon, 42, and a crewman Ko Chon-kwon, 58.

The chief engineer and Ko Chon-kwon have their wives and children left in South Korea.

Hailing from South Cholla Province and Cheju Island, the defectors finished primary school and engaged in fishing for many years. The master told reporters that he and his colleagues had long yearned for the North where the Great General Kim Chong-il pursues genuine politics for the people.

Pointing out that the South Korean "president," Kim Yong-sam, and other "statesmen" and "politicians" were thieves and exploiters who bled the people, he said he did not want to continue living in South Korean society.

"We made up our mind to defect to the North to enjoy a life worthy of man," he said. "When we went out to sea to catch hair-tails, we sailed out to the high sea and then came over to the North."

"We will devote all our efforts to national reunification, true to the politics of the Great General Kim Chong-il," he added.

His wife Yi Kil-sim, who served as a hand of the boat, said: "I have lived a subhuman life in South Korea. But now I am very pleased that I can enjoy a happy, worthwhile life from now on."

DPRK: CPRF Denounces ROK Plan To Build 'Nuclear Base'

SK2701004896 Pyongyang Korean Central Broadcasting Network in Korean
2100 GMT 26 Jan 96

[FBIS Translated Text] In connection with the fact that the South Korean rulers are recently attempting to build a large nuclear base [taegyumo haekkiji], which houses nuclear power stations and a nuclear waste disposal site, in an area close to the Military Demarcation Line [MDL] in Kosong County, Kangwon Province, South Korea, a spokesman for the Committee for the Peaceful Reunification of the Fatherland [CPRF] issued the following statement denouncing this.

Statement by a CPRF spokesman:

The South Korean rulers recently have been attempting to build a large nuclear base housing nuclear power stations and a nuclear waste disposal site in an area close to the MDL in Kosong County, Kangwon Province, South Korea.

This area is a gateway to Mt. Kumgang and Mt. Sorak, the pride of our country. The No Tae-u ring attempted to build a nuclear power station in this area in 1991, but suspended the project when we and the South Korean people strongly opposed and protested it.

Nevertheless, the Kim Yong-sam ring is maneuvering to establish a large nuclear base in this area by building nuclear power stations, and even a nuclear waste disposal site, which it previously planned to build on Kurop Island in Ongjin.

Various accidents occur quite often at South Korea's nuclear power stations. If nuclear power stations are built in this area, even a small accident would seriously damage our side, as well as Mt. Kumgang and Mr. Sorak, world-class scenic spots. Moreover, any accidental armed conflict in this area, in which the North and South tensely confront each other, would inflict a horrific nuclear catastrophe on all fellow countrymen in the North and South.

The Kim Yong-sam ring, which is attempting to build nuclear power stations and a nuclear waste disposal site close to the MDL, is an uncouth betrayer of the nation and a matchless nuclear fanatic who far surpasses previous military dictators.

The CPRF calls the maneuvers by the Kim Yong-sam ring to build a very dangerous large nuclear base close to our side a grave threat to our security, a deliberate and premeditated provocation to further aggravate North-South relations, and an antinational crime to drive the entire nation and the entire land to catastrophe, and thus resolutely denounces it.

Nothing can justify the reckless maneuvers by the South Korean puppets to build a nuclear base.

We cannot bear to be a spectator to the attempts by the Kim Yong- sam ring, which almost daily conducts war exercises for northward aggression against its fellow countrymen in collusion with outside forces, to build a very dangerous nuclear base that threatens the existence of the nation.

Needless to say, if the traitor Kim Yong-sam—a nuclear fanatic, a warmonger, and a chieftain of thieves—is left unchecked, the existence of the nation will be in danger. Moreover, the beautiful natural environment of our country will not be protected, and no tree or blade of grass in the fatherland will survive.

All fellow countrymen in the North, South, and abroad who love the country and the nation must stand as one to remove the traitorous Kim Yong-sam clique, which attempts to turn the sacred territory of our fatherland into a wasteland and inflict a horrific nuclear catastrophe on the nation.

The South Korean rulers must immediately stop their maneuvers to build a nuclear base, which will worsen North-South relations and inflict a nuclear catastrophe [haekchamhwa] on the entire nation.

If the Kim Yong-sam ring goes ahead with the plan to build a nuclear base close to the MDL despite our warnings, it will be held fully responsible for all consequences that may arise from it.

Using this opportunity, we express our expectations that antinuclear and peace organizations, as well as the public opinion of all countries of the world, will pay due attention to the criminal maneuvers by the Kim Yong-sam ring to build a nuclear base, and will further raise their voices to check and frustrate this.

[Dated] 26 January 1996, Pyongyang

DPRK Paper on ROK 'Schemes' To Build Nuclear Site

SK2801064296 Pyongyang KCNA in English
0633 GMT 28 Jan 96

["Schemes To Build Nuclear Facilities Must Be Discarded" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA) — The Kim Yong-sam group are trying to build large-scale nuclear facilities near the Military Demarcation Line (MDL) in Kosong County, South Korean Kangwon Province. Branding this as a never-to-be condoned anti-national criminal act to impose nuclear holocaust on the nation, a commentary of NODONG SINMUN today says:

When S. Korean nuclear facilities are built in this area near the MDL, it will severely destroy natural and ecological environment in the North side's area and the areas of Mt. Kumgang, a world-famous scenic spot, and Mt. Solak and, at the same time, inflict an irrevocable nuclear disaster on the nation due to any accidental encounter between the armies of the North and the South.

Last year the puppets could not realize the plan to build nuclear waste depository in Kulop Islet off Ongjin on the West Sea [Yellow Sea]. But they are now intending to build nuclear facilities at any cost in the Kosong area on the East Coast [Sea of Japan] near the North side's area. Planning to build nuclear facilities in the strained area along the MDL where huge armed forces of the North and the South are standing against each other, the Kim Yong-sam belligerent group seek a sinister purpose to seriously get on our nerves, drive the inter-Korean relations to the worst state and, furthermore, create a favourable phase for provoking a war against the North in league with outside forces.

We declare again that we will never remain an onlooker to the design of the Kim Yong-sam traitorous clique to build the nuclear facilities, the worst root cause of threatening the existence of the nation, in the place near the North side's area.

The Kim Yong-sam group must ponder over the grave consequences to be entailed by their move to build nuclear facilities against the North and discard it at once. If they persist in their move and realise it, despite our warnings, they will have to pay dearly for it.

DPRK: ROK Expected To 'Persistently Seek Confrontation'

SK2801074496 Pyongyang KCNA in English
0636 GMT 28 Jan 96

["MINJU CHOSON on S. Korean 'Prime Minister's Report State Policy'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA) — South Korea's new "Prime Minister" Yi Su-song, in his "report on the state policy" on January 25, said inter-Korean relations have shown no sign of progress in the new year, pinning its blame on the North, says MINJU CHOSON in a commentary today.

The paper further says:

He also cried for "particular alert" and "security posture" to cope with the "North's moves" and said the "army would be trained as a specialized and elite army" and "the updating of its equipment would be accelerated."

His remarks imply that the South Korean puppets will persistently seek confrontation and war against the North this year.

His traitorous nature was fully revealed when he said "assistance" to and "cooperation" with the North should be discontinued and "the North should be led to change and reform." This is nonsense and the situation proves that change and reform are needed by South Korea.

In a nutshell, his "report on the state policy" is an anti-national, anti-reunification balderdash full of lies and abuses of the North.

Yi Su-song must stop slandering the North at once and discontinue serving the traitor Kim Yong-sam, who is finding himself on thin ice, isolated and rejected by the people.

DPRK Denounces ROK 'Military Provocation' in DMZ

SK2701042896 Pyongyang KCNA in English 0417 GMT 27 Jan 96

["Military Provocation in DMZ" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA) — Armed soldiers of the South Korean puppet army on January 25 took firing postures with a 90mm recoilless gun and 12.7mm machine guns, leveling them at a post of the North side in the Demilitarized Zone [DMZ] of the central sector of the front, military sources said.

The puppet army soldiers whipped up a war fever against the North, wielding machine guns and automatic rifles in the DMZ of the western, central and eastern sectors of the front.

The South Korean puppets should act with discretion, pondering over the grave consequences to be entailed by the military provocation in the DMZ.

DPRK Daily on ROK Arms Buildup for 'Northward Invasion'

SK2601141496 Pyongyang Korean Central Broadcasting Network in Korean 0754 GMT 26 Jan 96

[NODONG SINMUN 26 January commentary: "At What Is Their Arms Buildup Aimed?"]

[FBIS Translated Text] The South Korean puppets have recently brought an anti-submarine patrol plane, a P-3C, into South Korea from the United States, spending 680 billion won for it. The P-3C is a piece of ultramodern war equipment with state-of-the-art devices such as underwater detection gear. It is capable of offensive and early warning activities. The puppet Defense Ministry announced that it had fulfilled its plan to introduce eight P-3C's upon the introduction of the last one. At the same time, the puppet defense minister issued a so-called minister's written order to all puppet army units to stir up the war frenzy.

As has been revealed, the Kim Yong-sam ring held war conspiracies with the United States, such as a Military Committee meeting and the annual security consultative meeting, in succession last year to plot a scheme for a continuous arms buildup in South Korea. The puppets have set about implementing the provocative plan for an arms buildup.

The bellicose Kim Yong-sam ring has allocated a large portion out of this year's defense budget of 12,260 billion won to an arms buildup. Additional U.S. Army troops equivalent to a brigade will be deployed to South Korea this year. While mentioning a review of the level of their missile equipment, the puppets are also maneuvering to join the Missile Technology Control Treaty.

Facts show that the Kim Yong-sam ring's arms buildup maneuver has reached a quite reckless stage. It is military common sense that reckless arms buildups develop into war provocations. The Kim Yong- sam ring's large-scale arms buildup is certainly aimed at attacking our Republic. It is an intolerable challenge and provocation to us while we are making every sincere effort for peace and peaceful reunification of the country. And it is an unforgivable, antinational, antipeace, antireunification, and criminal act that will cause the nation to fall victim to outside forces' nuclear war.

The Kim Yong-sam ring has frenziedly engaged in an arms buildup for a fratricidal war since the beginning of the year, challenging all the people's aspirations for national reconciliation and unity, as well as peace and peaceful reunification. We cannot but take a serious view of this because this arms buildup maneuver is being conducted at the same time as the frenzied war exercise commotion against our Republic that the puppets are staging in collusion with outside forces.

Even at this moment, a crazy war exercise is being conducted in South Korean waters with large-scale armed forces including submarines, warships, and anti-submarine patrol planes of the U.S. Seventh Fleet. Military provocations against us are endlessly conducted around the Military Demarcation Line. As such, in league with outside forces, the puppets are frenziedly pursuing an arms buildup while firing guns constantly in war exercises for northward invasion in the skies, land, and sea of South Korea. This shows that they are planning to provoke a war of northward invasion with outside forces and have set about full-fledged preparations for war.

It has become clear that the Kim Yong-sam ring, whose downfall is not far away, is trying to find a way out of the crisis by provoking a war of invasion. The Kim Yong-sam ring, which pursues its lust for power and its own interests as well as behaving rampageously [chiral palgwanghanun] to drive the nation into the tragedy of fratricidal war, is indeed the national enemy and the first target for being overthrown.

The Kim Yong-sam ring should be aware that its arms buildup aimed at a northward invasion will only result in its ruin. If the warmongers continue to pursue an arms buildup and war provocations for northward invasion, despite our repeated warnings, they will be made to pay dearly for it.

DPRK Paper Views ROK Obstacles to Reunification

SK2701083196 Pyongyang KCNA in English 0755 GMT 27 Jan 96

["Obstacles to Reunification Should Be Removed First; NODONG SINMUN" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA) — If a new epoch-making phase for national unity and reunification is to be seen this year, it is necessary, above all, to remove all the institutional and physical machines standing in the way of national reconciliation, unity and reunification, says the newspaper NODONG SINMUN in an article today.

What is the biggest obstacle to the removal of distrust and misunderstanding in the nation and to national reconciliation, unity and reunification is South Korea's "national security law" (NSL) and the concrete wall built in areas south of the Military Demarcation Line, the paper says, and continues:

The "NSL" is an anti-national, anti-reunification fascist law that defines the fellow countrymen in the North as "enemy" and criminalizes and bans contact and dialogue between compatriots in the North and the South.

By dint of the notorious "law", the successive rulers of South Korea have harshly suppressed the reunification movement of the South Korean people and brutally penalized those who visited the North or had discussions on the country's reunificution with compatriots in the North.

The present rulers, too, have totally banned contact and dialogue between the North and the South for reconciliation and reunification by invoking the "NSL".

The concrete wall built by the South Korean puppets is the biggest physical barrier in the way of national reconciliation, unity and reunificaion.

It is meaningless to talk about national reconciliation and the country's reunification with the concrete wall keeping the country divided left alone. Only when the cursed wall is demolished, can it be possible to ensure national reconciliation and unity, [words indistinct], contact and unfettered opening between the two sides of Korea and reunify the country through confederation with concerted efforts of the nation.

Accusing the Kim Yong-sam group of trying to maintain the concrete wall and the "NSL", the paper stresses:

Ousting the Kim Yong-sam group, the chief obstacle to national reunification, is an urgent task facing the Korean nation in the struggle for reunification.

DPRK Daily Denounces Kim Yong-sam Remarks on Past

SK2901104996 Pyongyang KCNA in English 0957 GMT 29 Jan 96

["NODONG SINMUN Denounces Traitor Kim Yong-sam's Foolish Talk About 'Putting History to Rights'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 29 KCNA) — The traitor Kim Yong-sam, in his "new year message," "speech at new year ceremony" and "state address on new year," talked about liquidation of "the wrong past," "creation of history" and "putting of history [as received] to rights."

Denouncing the preposterous sophism, NODONG SINMUN in an article today says:

Kim Yong-sam is the most vicious flunkeyist quisling, traitor to the nation, anti-reunification element and reactionary of history among the preceding rulers in South Korea.

If history is to be put to rights in South Korea as the traitor Kim Yong-sam advertises, he must take the road of independence, democracy and reunification as desired by the people. He has persistently resorted to the moves to block the independent and democratic development of the South Korean society and the national reunification since he took office.

He is a heinous enemy of reunification laying ever greater obstacles in the way of peace of the country and its peaceful reunification. As long as such a reactionary of history, a scum of history, as Kim Young-sam remains in power, the history can never be put to rights in South Korea.

The traitor Kim Yong-sam is, in actuality, reviving the military dictatorial politics of the notorious "Fifth and Sixth Republic" in the guise of "liquidation of the past."

The traitor described the institution of the May 18 special law and the arrest of Chun Doo-hwan and No Tae-u, the Kwangju murderers, as a result of his "bold decision" to "liquidate the past." This is nonsense and a shameless deception of realities.

Nevertheless, he is advertising it as an expression of his "decision" to "clear away the wrong past" and "put history to rights." This is an unpardonable mockery of the people and a political swindle plundering the fruits of their struggle.

If history is to be truly put to rights in South Korea as desired by the people, Kim Yong-sam, the garbage of history, must be removed before anyone else.

He joined the military dictators of the "Fifth and Sixth Republics" through the merger of three parties and took the "presidential" seat by using a colossal sum of black money given by them. It is an anti-history action against the will of the people.

"Putting history to rights" on the lip of Kim Yong-sam means "justifying wrong history."

The South Korean people clearly see through his vicious schemings lurking behind the signboard of "putting history to rights."

DPRK Daily on ROK Premier's Remarks on N-S Relations

SK2901093496 Pyongyang KCNA in English
0900 GMT 29 Jan 96

["Trembling With Uneasiness" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA) — NODONG SINMUN today comments on the "report on the state policy" made by the South Korean puppet prime minister, Yi Su-song, at the "extraordinary session of the National Assembly" on Jan. 25.

His talk about inter-Korean relations in the report is nothing but an outcry of those who are in an extremely unstable and catastrophic state having no future, the news analyst says, and goes on:

In the report the puppet prime minister babbled that the North is avoiding the inter-Korean talks and reinforcing Armed Forces along the Military Demarcation Line to key up tension. This is a shameless distortion of facts and a deception.

In actuality, the puppets are now getting overheated in arms buildup and war manoeuvres against the North and, at the same time, concentrically deploying Armed Forces in the areas along the Military Demarcation Line, turning the Demilitarized Zone into a position for attack and committing [word indistinct] military provocations and thus, aggravating the situation to the extreme.

Judging from such moves of the puppets and Yi Su-song's remarks, one can see that they are captivated by a foolish dream to do harm to and stifle us in league with outside forces by chance while idling away with an empty word of "reconciliation and cooperation." This attempt of the South Korean puppets is anachronistic.

If the Kim Yong-sam group have an iota of intention to do something for peace of the country and its peaceful reunification, they should discard, before anything else, the anti-national, anti- peaceful and anti-reunification moves going against the aspiration and desire of the nation and the trend of the times.

DPRK: Japan Moves To Validate 'Defense' Against DPRK

SK2701060596 Pyongyang Korean Central Broadcasting Network in Korean
0100 GMT 19 Jan 96

[FBIS Translated Text] According to reports, the Japanese reactionaries have recently been working on providing a legal basis for unrestrained combat action in a contingency on the Korean peninsula.

The 17 January edition of ASAHI SHIMBUN of Japan reports that on 16 January, the Defense Agency adopted the official policy of reexamining the Japan-U.S. guideline on defense cooperation, which has been discussed so far, as an official policy and expressed its intention to reexamine the guideline in earnest. The newspaper also reports that Japan-U.S. cooperation in a contingency in the Far East, which is not clearly stipulated in the current guideline, is up for reexamination and that this is part of the Defense Agency's intention to make the guideline more concrete and, thus, strengthen Japan-U.S. relations as a basis for stability in the Far East at a time Japan-U.S. security relations are in upheaval because of the issue concerning the U.S. military bases in Japan.

Commenting on the fact that the reexamination of the guideline focuses on the Korean peninsula, the newspaper reports that, in the event of a contingency or other events on the Korean peninsula, the Defense Agency plans to add a provision on offering conveniences to the U.S. Forces.

On 15 January, the Defense Agency decided to form a planning committee composed of officials of the agency's Defense Department and the Joint Staff Council to urgently examine possible countermeasures under the current law in the event of a contingency on the Korean peninsula.

In reporting this, Japan's YOMIURI SHIMBUN revealed that the decision to form a planning committee was made to come up with concrete countermeasures to be taken in the event of a contingency on the Korean peninsula and that the planning committee will examine the revision of related laws.

What is grave here is the fact that Japan openly points to a contingency on the Korean peninsula as the first excuse for providing the legal basis for overseas troop deployment.

Moreover, Japan parrots the U.S. theory that North Korea constitutes a threat to rave about a contingency on the Korean peninsula. This well illustrates the recklessness Japan, which is bent on launching another aggression.

The warmongers in Japan must clearly see reality and must not act recklessly.

DPRK: Japanese Visitor Calls Kim Il-song 'Genuine Leader'

SK2901053096 Pyongyang KCNA in English 0513 GMT 29 Jan 96

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA) — "President Kim Il-song was a genuine leader of people, a great man of the century produced by humankind," said Takahiro Yamaguchi, president of ODS Corporation of Japan who is staying in Korea.

"During the visit I have more deeply realized his quality as a great man," he said on last Thursday [25 January] when he was interviewed by a reporter.

He said:

Respected President Kim Il-song was not only a prominent leader but also a great human being with warm love for the people.

He had conducted energetic activities, until the last moments of his life, for the prosperity and development of the country and the people's happiness.

Such a leader as him could not be found in any other countries of the world.

It can be said that the commitment President Kim Il-song made to the people as their leader would be "the people are my god".

With this brought into practice, Korea has been turned into a country whose masters are the people.

"I have realized in various aspects the fact that Korea is a country for the people," Takahiro Yamaguchi said, and added:

In this country where the working people are regarded as the dearest beings, they are provided with houses and all other things needed for living thanks to the benefit of the state.

So there has been no difference in living standards.

I saw the whole looks of the happy Korean people, seeing round neatly-built streets and merry children. Witnessing the non-stop stream of visitors to the statues of the great President Kim Il-song, I felt once again how ardent their reverence for the father of the nation is and, at the same time, that he, who trained people as a good one was the greatest of great men.

DPRK: Danish Foreign Ministry Delegates Visit Mansu Hill

SK2801064496 Pyongyang KCNA in English 0628 GMT 28 Jan 96

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA) — A delegation of the Foreign Ministry of Denmark led by Ole Lensman Poulsen [spelling of name as received], secretary of state, called at the statue of the great leader President Kim Il-song on Mansu Hill on Saturday [27 January], to lay a bouquet and make a bow.

The delegation arrived in Pyongyang on January 27.

Swede: DPRK Heading for Famine, Economic Disaster

LD2801173696 Stockholm Sveriges Radio Network in Swedish 1545 GMT 28 Jan 96

[FBIS Translated Text] [Announcer] Following the worst flooding this century, North Korea is rapidly heading for a human and economic disaster. Nearly half of the country's arable land is destroyed, as are roads, bridges, railways, and power lines. Half a million people have lost their homes and industries are at a standstill, reports our Asia correspondent, Bengt Therner, the only journalist from the western world for a long time who has been permitted to visit North Korea.

[Begin Therner recording] The train from Beijing is braking in an icy, wintry, cold Pyongyang that is practically blacked out due to a shortage of electricity. The train is loaded with food, as much as the North Korean travellers can carry.

This is the first, but symptomatic picture of the desperate situation in North Korea. The world's most isolated nation is in a deep crisis. It has no friends, it is bankrupt, it has no food. Practically all industry is at a standstill. Draught animals, such as oxen, have been eaten, towns with half a million inhabitants have no electricity supply. Even in Pyongyang, people are constantly hungry, rations have been drastically cut, and the rice that is distributed every two weeks is often late by more than a week.

In an unheated hospital, undernourished babies were received by a team from the French MSF, Medecins Sans Frontieres, who are deeply concerned about the effects of the starvation diet that the rations have been reduced to.

[Unidentified female, in English] It is a concern for the children who lost their houses. It is also a concern for children, for example, who are adopted...[fading into correspondent's report]

[Therner] It is likely that the worst is yet to come. One hundred and forty-five out of 200 municipalities have been affected by the flooding. Large areas of arable land have been permanently lost and the basic infrastructure is seriously damaged. Soon only the monuments to Kim Il-song's dream of a communist kingdom of happiness will remain. This is Bengt Therner in Beijing. [end recording]

[Announcer] Bengt Therner left North Korea yesterday and is now in Beijing. Bengt, have you ever seen anything resembling North Korea as it is today?

[Therner] I myself think that I have seen many things in Somalia, Ethiopia, Angola, Mozambique, and I have a solid reference framework, but I must admit that I have never seen anything like North Korea. It is not just that the country is deeply isolated and is now on the brink of a famine disaster, but there is a lack of economic activity. It does not exist, it is as if the wheel need not be invented. In the famine-ridden Ethiopia, there were markets, there were buses operating. Nothing of this exists in North Korea.

[Announcer] But what are the people there doing?

[Therner] All building cranes are standing still, quite still, rusty. There are building sites, all of them at a standstill. Industrial chimneys are distinguishing themselves by being stone cold, there is no smoke from anywhere. On the outskirts of Pyongyang I counted 41 industrial chimneys, of which four emitted smoke. What the people are doing is that they are sweeping the highways. Miles of highways, on which only people walk, are being swept because there are hardly any cars. There are hardly any bicycles, there are hardly any ox carts, because as some people said here, the oxen are now being eaten, the draught animals are being eaten.

[Announcer] How much foreign aid will they need?

[Therner] Enormous quantities. The country is totally bankrupt. The industry lacks spare parts, investment goods. Nothing functions normally anywhere in the economy, in industry. I met a Dutchman who had built a greenhouse outside Pyongyang. There were not even spanners or screwdrivers of reasonable quality. He had to have those flown in from the Netherlands.

[Announcer] That was Bengt Therner in Beijing. He will continue to report on North Korea in future bulletins from this program.

DPRK: Kim Chong-il: Youth Must Continue Revolutionary Traditions

SK2701121196 Pyongyang KCNA in English 0750 GMT 27 Jan 96

["NODONG SINMUN Calls on Younger Generation To Carry Forward Revolutionary Traditions" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA) — The great leader Comrade Kim Chong-il, in his celebrated work "Respecting the Forerunners of the Revolution Is a Noble Moral Obligation of Revolutionaries," said that defending and carrying forward the revolutionary traditions is a noble moral obligation of the younger generation.

He said in the work:

"Defending and carrying forward the revolutionary traditions established by revolutionary predecessors is a revolutionary duty and noble moral obligation for the successors to revolution."

This idea elucidated by respected Comrade Kim Chong-il is a great idea which enables the younger generation to fully discharge the revolutionary obligation for the leader and the revolutionary predecessors, thus successfully accomplishing the socialist cause, the newspaper NODONG SINMUN says in an article today, and goes on:

Defending and carrying forward the revolutionary traditions is a noble moral obligation of the younger generation because it means fully discharging the revolutionary obligation for the leader and completing the revolutionary cause by following the noble ideological and mental traits of their revolutionary forerunners.

The revolutionary obligation for the leader is closely linked with the struggle in defending and carrying forward the glorious revolutionary traditions.

If the successors to revolution steadfastly defend and successfully carry forward the revolutionary traditions, the leader will be immortal along with the traditions.

The genuine revolutionaries who are willing to remain unfailingly loyal to the leader and carry forward his cause through generations regard the revolutionary traditions as their flesh and blood and devote their all to defending them.

Only when the successors defend and carry forward the revolutionary traditions established by the revolutionary forerunners, can they remain intensely loyal to the party and the leader and fully display the invincible revolutionary spirit in the revolution as the revolutionary precedessors did. What the revolutionary generations should carry forward is the revolutionary traditions of chuche the anti-Japanese revolutionary forerunners established under the leadership of the Great Leader Comrade Kim Il-song. The revolutionary traditions of the Workers' Party of Korea [WPK] are an eternal foundation of our revolution because they include the ideological system of chuche, the communist revolutionary spirit, precious revolutionary feats, profound and rich experience of struggle, the revolutionary working method and popular working style. To steadfastly defend and carry forward these traditions makes it possible to advance the Korean revolution triumphantly and accomplish the revolutionary cause, pioneered by Comrade Kim Il-song, through generations.

Defending and carrying forward the revolutionary traditions provided by the revolutionary forerunners is the way of strengthening and developing the WPK to be a revolutionary party of chuche type forever, defending Korean socialism and completing the revolutionary cause of chuche.

DPRK: Vigilance Against Imperialists' 'Cultural Poisoning' Urged

SK2801075596 Pyongyang KCNA in English 0645 GMT 28 Jan 96

["Vigilance Against Ideological and Cultural Poisoning of Imperialists Called for" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA) — The Great Leader Comrade Kim Chong-il in the famous work "Respecting the Forerunners of the Revolution Is a Noble Moral Obligation of Revolutionaries" called for heightening vigilance against the ideological and cultural poisoning of the imperialists and completely foiling it.

NODONG SINMUN in a signed article today says that to prevent the ideological and cultural poisoning of the imperialists is a basic demand for defending and developing the popular masses' cause of independence, the socialist cause.

It goes on:

A lesson of history tells that if the ideological and cultural poisoning of the imperialists is allowed without vigilance against it, what happened in former socialist countries in Europe will certainly recur and that for defending the socialist cause and making its triumphant advance, it is necessary to prevent the ideological and cultural poisoning of the imperialists. This is an alarm-bell of the times and a truth of history.

We take a serious view of the fact that the loudmouthed "ideological liberty," "borderless thought" and "globalisation", part of the ideological and cultural poisoning of the imperialists, are aimed at spreading bourgeois ideology to the international community.

If we give in to the pressure of the imperialists, fail to heighten vigilance against the infiltration of bourgeois ideology and culture and to wage a struggle against it, there will be grave, irrevocable consequences.

The countries and nations that treasure justice and progress and long for healthy culture and the development of civilisation should sharpen vigliance so as to prevent any bourgeois virus, yellow virus, from infiltrating into them and should take an active part in the international campaign to foil the ideological and cultural poisoning of the imperialists.

Here it is important not to yield to the pressure of the imperialists for "liberalisation".

To arm the people with revolutionary ideology and the spirit of independence and make strenuous efforts to upgrade progressive ideology and culture is an important undertaking for the prevention of the ideological and cultural poisoning of the imperialists.

If all the countries and nations advocating independence struggle with heightened vigilance, the imperialist schemings for the ideological and cultural poisoning will end in failure.

DPRK: 'Enemy' 'Provocations' 'Impotent' Before Army

SK2901093896 Pyongyang KCNA in English 0907 GMT 29 Jan 96

["Peace Guaranteed by Rifles of KPA" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA) — The song "Peace Is Guaranteed by Our Rifles" is widely sung by soldiers of the Korean People's Army (KPA) and working people in Korea.

The song says, "However valuable peace may be, we will never beg for it, and peace should be guaranteed by our rifles." This represents the Korean people's will to defend peace.

The new year joint editorial of NODONG SINMUN, CHOSON INMINGUN and NODONG CHONGNYON said: "We want peace, but will never beg it of the imperialists. The rifles of the Peoples' Army will guarantee peace and security of the socialist motherland." This also reflects the faith and will of the Korean people.

The KPA has resolutely defended the socialist cause with the weapons of revolution it inherited from the anti-Japanese revolutionary fighters.

In the three years of the fatherland liberation war (June 1950-July 1953), the KPA defeated the U.S.-led imperialist allied forces including 15 satellite nations, though the U.S. had boasted of being the "strongest" in the world. Since the ceasefire, the KPA has safeguarded peace in the country, smashing every enemy attempt to unleash another war.

The enemy military provocations on the ground and the sea and in the sky ever since the liberation of the country (August 1945) number fifty on a daily average, except for the war period. Every provocation has ended in failure in face of counteraction from the KPA.

Typical of them are the sinking of the "PCe-56" (1967), the capture of the "Pueblo" (1968), the downing of "EC-121" (1969), the "Panmunjom incident" (1976) and the downing of a U.S. military helicopter (1994).

Over the last ten-odd years, the U.S. imperialists and the South Korean puppets have perpetrated 435,000 military provocations — 120 on a daily average and five on an hourly average — along the Military Demarcation Line and in and around the Korean Peninsula. They staged joint annual military maneuvers Team Spirit for nearly 20 years, driving the situation on the Korean Peninsula to the brink of war. Their desperate activities, however, turned out to be impotent before the mighty KPA.

A lasting peace on the Korean Peninsula is guaranteed by the KPA, which is under the outstanding leadership of respected Supreme Commander General Kim Chong-il.

KPA Marshal Choe Kwang, minister of the People's Armed Forces, has declared that if anyone infringes on the sovereignty of the DPRK at all, the KPA will severely punish and kill all the invaders and defend the party and socialism by force of arms.

South Korea

DPRK Rejects Observation Equipment Request

SK2801053996 Seoul CHUNGANG ILBO in Korean 28 Jan 96 p 2

[Article by Choe Won-ki]

[FBIS Translated Text] North Korea and the International Atomic Energy Agency [IAEA] are in disagreement over the installation of observation equipment for ordinary inspections [ilban sachal] in the radiochemical laboratory (plutonium reprocessing facilities) at Yongbyon.

David Kyd, an IAEA spokesman who was interviewed by CHUNGANG ILBO via telephone on 27 January, said North Korea rejected the IAEA's request to install observation equipment for inspections inside the radiochemical laboratory. He added that, to solve this problem, on 23 January the IAEA dispatched to Pyongyang a delegation of five experts led by Dr. Pericos [spelling of name as published], and that the delegation is discussing the problem with the North Korean authorities.

The IAEA maintains that to effectively conduct ordinary inspections, separate observation equipment must be installed to assess changes and pipe temperatures inside Yongbyon's radiochemical laboratory.

North Korea reportedly opposes the measure, claiming this exceeds the limit of the IAEA's ordinary inspections. Commenting on the result of negotiations between North Korea and the IAEA, spokesman Kyd stated: We cannot disclose the particulars of the negotiations between the two sides. We will not know the ultimate results of the negotiations until 31 January, when the experts leave North Korea.

U.S. 'To Shift' Oil Responsibility to KEDO

SK2701100596 Seoul MUNHWA ILBO in Korean 27 Jan 96 p 1

[Report by Yi Pyong-son from Honolulu]

[FBIS Translated Text] It appears certain that 40,000-tonnes of heavy oil, the January allotment of the 500,000 tonnes which the United States pledged to offer to North Korea this year, will not be shipped to North Korea as scheduled due to the U.S. Government's failure to secure a budget, thus creating a stumbling block to implementation of the North Korea-U.S. agreement reached in Geneva.

This being the situation, during the high-level policy consultation conference among the ROK, the United States, and Japan which ended on 26 January, the United States strongly demanded that the "supplier credit transaction" be guaranteed by the Korean Peninsula Energy Development Organization [KEDO] as a method for securing funds to pay for the 120,000 tonnes that are supposed to be provided to North Korea by March this year. This means that the United States, in fact, intends to shift the responsibility for heavy oil supply, which it was committed to bear in the past, to KEDO. Thus, heated arguments will likely be touched off.

This was revealed on 27 January by Pan Ki-mun, first assistant foreign minister and a senior member of the

ROK side's delegation to the high-level policy consultation conference. He also pointed out that the "so-called supplier's credit transaction method is an unsecured credit transaction. According to this transaction method, the company supplying the heavy oil will first provide the required amount of heavy oil to North Korea by relying on the faith and credit of KEDO, and will be paid later."

Assistant Minister Pan Ki-mun explained that "the United States promised to offer 40,000 tonnes of heavy oil to North Korea each month, beginning this year. However, because of the U.S. Congress' freeze on the budget, it is difficult to secure the necessary funding by March." He revealed that "with a view to securing long-range heavy oil funds, the issue over European Union [EU] participating in KEDO as an Executive Council member and measures for intensive negotiations with oil-producing countries were discussed during the recent conference."

It has been learned that during the recent meeting, the ROK, the United States, and Japan reviewed in depth "the UN Security Council-type" agenda decision structure, in which the number of KEDO's Executive Council member states will be increased so as to accept the EU, while the ROK, the United States, and Japan will retain their independent veto rights.

KEDO Asked To Pay DPRK Negotiators' Costs

SK2801073696 Seoul YONHAP in English
0724 GMT 28 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 28 (YONHAP) — North Korea asked the Korean Peninsula Energy Development Organization (KEDO) to pay for the air fare and accomodation of the North Korean officials who will participate in the negotiation with the KEDO soon in New York, JIJI PRESS here reported Sunday.

The press quoted a source here as saying that North Korea, citing that it cannot afford to bear the expenses, recently requested the KEDO to bear the burden for the North Korean delegation.

The KEDO and North Korea, after concluding the lightwater reactor supplying contract last December with each other, are to sign the protocol soon in New York.

ROK, U.S. Delegates Interviewed on Honolulu Talks

SK2701102896 Seoul HANGUK ILBO in Korean
27 Jan 96 p 3

["Informal" news conference by Pan Ki-mun, ROK chief delegate to the U.S.-ROK-Japan high-level policy meeting in Hawaii, and Winston Lord, chief U.S. delegate, in Honolulu on 26 January; first paragraph is editorial introduction]

[FBIS Translated Excerpt] In an informal meeting with reporters following the ROK-U.S.-Japan high-level policy meeting, Pan Ki-mun, the ROK's chief delegate and its first deputy foreign minister, said: "The three countries shared the view that the North Korean food situation is serious, but not a crisis." He then stressed: "The resumption of inter-Korean dialogue is essential in resolving issues on the Korean Peninsula."

[Unidentified reporter] Did the sides differ in their opinions on the North Korean food situation?

[Pan Ki-mun] The sides generally shared views on all agenda items. The North Korean food problems are structural and enduring, resulting from a wrong policy. North Korea should change in order to resolve the problems.

[Unidentified reporter] What are the three countries' positions on offering aid to North Korea through non-governmental organizations or international bodies?

[Pan] The ROK conveyed its position that it is necessary to conduct an objective survey of the actual state of North Korea's food problems and guarantee the transparency of distribution of relief food. The United States and Japan agreed to this.

[Unidentified reporter] The plan for providing heavy oil to North Korea has gone amiss. What is your comment on this?

[Pan] I stressed that the United States should prepare a long-term method to raise funds for the heavy oil project, and not merely a method for this year. The U.S. side said it is considering a credit transaction method.

[Unidentified reporter] The resumption of inter-Korean dialogue is stressed in the joint communique. Is this linked to the food aid issue?

[Pan] All issues should be discussed between the South and North Korean authorities, and North Korea should change its attitude. It is common sense that the resumption of inter-Korean dialogue and the improvement of relations between South and North Korea are imperative for resolving issues on the Korean peninsula.

[Unidentified reporter] What is the ROK Government's assessment of North Korea's food situation, which must have been conveyed to the United States and Japan?

[Pan] In some aspects, North Korea's food shortages are of its own making. It is understood that North Korea could solve most of its food problems simply by mobilizing part of its military budget. [passage omitted]

Seoul Dailies Comment on Results of Honolulu Talks

SK2701093596

[FBIS Report] ROK vernacular dailies on 27 January carry editorials and articles commenting on and analyzing the results of the U.S.-ROK-Japan high-level political consultative meeting in Honolulu, Hawaii, which ended on 25 January local time and 26 January Korean Standard Time. The meeting discussed North Korea policy, including rice aid to North Korea.

CHOSON ILBO carries on page 3 an 800-word editorial titled "Clinton, the Election, and the Korean Peninsula." The editorial begins: "It was anticipated from the outset that the ROK-U.S.-Japanese high-level political consultative meeting would not produce any agreement or conclusion, because there was too wide a gap in views between the ROK and the United States over the issue of rice aid to North Korea, the focal point of the meeting. Efforts should be made to narrow differences, where there is a difference of opinion, by having the parties concerned exchange views. However, the U.S. Clinton diplomacy showed an attitude of ignoring facts and only putting pressure on us. The United States tried to narrow differences without knowing the facts, which is not a reasonable way to accomplish anything."

The editorial continues: "If the United States continues to employ an appeasement policy in dealing with North Korea in such a way as to say, 'Don't behave like that; we will do something for you,' whenever North Korea blackmails us, it will not be a policy. When North Korea blackmailed us with the nuclear threat, the United States promised to provide North Korea with light-water reactors, and urged us to send rice to the North because the United States fears North Korea might start a war because of its food shortages. If the United States continues such a stance, North Korea will continue to employ outrageous tactics."

The editorial appreciates President Clinton's need to win the upcoming election, but concludes: "If President Clinton cannot bear the financial burden connected with North Korean issues because of the internal U.S. political situation, major measures toward the North ought to be postponed until after the November presidential election, rather than imposing an excessive financial burden on U.S. allies for political reasons."

KYONGHYANG SINMUN carries on page 3 an 800-word editorial entitled "Rice Aid to the North and the Joint ROK-U.S.-Japan Alliance." The editorial welcomes the fact that it was agreed at the Honolulu talks that the three countries will not give government-level aid to North Korea, and notes that North Korea is intimidating the international community into giving it food aid by taking its residents hostage and converting rice given by the ROK to military use. The editorial says: "Under the circumstances, if we give rice aid to the North, it will be aiding the enemy against our interests."

The editorial stresses: "It is high time that the ROK, the United States, and Japan send a clear message that the North Korean authorities will not be able to gain anything through tactics of blackmail and intimidation." The editorial stresses international inspections to verify the truth of food shortages in the North before food aid is given. The editorial expresses the hope that the Honolulu talks will be a turning point in countering North Korean maneuvers to alienate the ROK, the United States, and Japan from each other over the issue of rice aid to the North and to promote a joint alliance between the three countries.

HANGUK ILBO carries on page 3 an 800-word editorial entitled "The Coordination Between the Three Countries in Hawaii." The editorial notes that the Honolulu talks succeeded in coordinating the positions of the three countries and agreeing on a series of principles of joint alliance in dealing with the North Korean issue. The editorial notes the difference of opinion between the ROK and the United States over the food shortage situation in North Korea, and observes: "It was quite proper for the ROK to maintain that in case the ROK gives food aid to the North, it should be preceded by a fact-finding survey and measures taken to ensure that the food aid is distributed properly to the actual consumers." The editorial concludes by stressing the importance of the joint alliance among the ROK, the United States, and Japan in tackling North Korean issues.

HANGYORE SINMUN carries on page 5 a 750-word article by reporter Kang Tae-ho titled "Differences in Views Between the United States and the ROK Patched Temporarily."

The article notes that the Honolulu talks failed to reach a conclusion on the seriousness of food shortages in North Korea, and observes: "This is why observers suspect that the meeting patched up the differences among the three countries only temporarily," and concludes: "It is clear that none of the three countries — the ROK, the United States, or Japan — wants to give the impression that there is discord among them over the issue of food aid to North Korea. Moreover, under circumstances in which the ROK Government maintains the firm position that food aid to the North is impossible without a change in the North Korean attitude toward the South, the United States cannot implement rice aid to the North independently. Hence, it was anticipated that the meeting would end without a conclusion."

CHUNGANG ILBO carries on page 4 a 700-word editorial entitled "The Need for Consultation Among the ROK, the U.S., and Japan Has Been Confirmed." The editorial begins: "The first high-level political consultative meeting among the ROK, the United States, and Japan to discuss North Korean policy, which ended on 25 January, seems to have ended in an amicable atmosphere despite our worries before the meeting." The editorial observes: "We were worried about the U.S. assertion of the need for food aid to the North, because if our government makes concessions to the U.S. assertion, North Korea may think that if it continues to aggravate tensions and intimidate the United States, it can easily beat the ROK into accepting its demands. If that happens, the North will continue to ignore inter-Korean dialogue and try to negotiate only with the United States." The editorial notes that the Honolulu talks confirmed the need for a meeting of this nature among the three countries, because it enabled them to discuss difficult problems frankly and agree to work to realize the resumption of inter-Korean dialogue, which is essential in dealing with North Korean issues.

MUNHWA ILBO carries on page 3 a 1,200-word article by Reporter Yi Pyong-chun from Honolulu entitled: "The Result of the ROK-U.S.-Japan High-Level Political Consultative Meeting — Adjustment in Speed of Rice Aid to North Has Succeeded for Now." The article notes that the meeting succeeded in slowing the U.S. plan for food aid to the North. The article also notes that, despite the United States' official position of attaching importance to inter-Korean dialogue in dealing with North Korean issues, the United States seems to intend to separate inter-Korean relations from U.S.-North Korean relations, which the United States seems to be hastening. The editorial notes that the Honolulu talks failed to coordinate various pending issues connected with the U.S. policy toward the North, concluding: "The fact that the Hawaii meeting failed to coordinate various complicated issues satisfactorily means the triangular relationship among the South, the North, and the United States has entered a very uncertain stage."

ROK: U.S. Ambassador to Seoul Interviewed 26 Jan

SK2801104796 Seoul HANGUK ILBO in Korean 28 Jan 96 p 15

[Interview with U.S. Ambassador to the ROK James Laney by Choe Kyu-sik, HANGUK ILBO senior international affairs desk reporter, in the ambassador's office at the U.S. Embassy in Seoul on 26 January; first paragraph is HANGUK ILBO introduction]

[FBIS Translated Text] U.S. Ambassador to the ROK James Laney was interviewed for about one hour in his office at the U.S. Embassy on the afternoon of 26 January. He explained the U.S. view of the recent situation on the Korean peninsula and about ROK-U.S. relations. It is now three years since Ambassador Laney assumed his post in Korea. He is known to have an invariable deep affection for and interest in Korea, having formed ties with Korea when he was 19 years old.

[Choe] Are there any differences between the ROK and U.S. views on North Korea's food shortages and military moves since late last year?

[Laney] We fully agree with President Kim Yong-sam's remarks that the North Korean situation is serious. Both the ROK and United States are trying to precisely assess the past and present quantities of grain production and demand in North Korea. This being the case, there are no great differences between the ROK and the United States in terms of their awareness of the situation. The high-level policy consultative conference between the ROK, the United States, and Japan held in Hawaii was not aimed at one side persuading the other, but at sharing and jointly possessing information in a bid to correctly examine the prevailing situation and map out appropriate measures. I also believe there are no differences between the two countries in their views on North Korea's military movements. Our two countries have been worried, knowing that North Korea has moved and deployed military aircraft to areas close to the DMZ. The ROK defense and foreign ministers and the commander of U.S. Forces in Korea regularly hold breakfast meetings and exchange information. As such, I do not think there are differences between our two sides in assessing North Korea's military situation. Although we are withholding final conclusions, the two nations have been studying the reasons for the North Korean Army reducing the scale of its winter training.

[Choe] What are the prospects for overall North Korea-U.S. relations, including the establishment of mutual liaison offices according to the Geneva agreement?

[Laney] North Korea is consistently keeping its pledge to freeze its nuclear facilities in compliance with the Geneva framework agreement. However, the issue of liaison offices has been pending. Since relevant officials from the two countries visited Washington and Pyongyang last year, respectively, no activities have been carried out during the past several months pertaining to establishing liaison offices. This being the case, I am not in a position to predict how activities concerning the liaison office will develop in the future. Thus, I deem it insignificant to discuss the issue of normalizing mutual relations [with North Korea] at this point.

[Choe] May I accept this as an acknowledgement that the establishment of liaison offices would be difficult in the first half of the year?

[Laney] The situation is deadlocked, without any sign of activity even at this point, when January has nearly passed. Let me substitute my view with this comment. The United States is continuing to try to persuade North Korea to hold dialogue with the ROK and to open up, although the efforts have not been so successful. There is no reason whatsoever for the United States to hasten the establishment of a liaison office under conditions in which North Korea refuses to hold dialogue with the ROK and fails to show its willingness to do so. In other words, even if the United States were to strive to establish a liaison office, it would face an obstacle blocking the progress. Therefore, I can say that the issue of establishing the liaison office is at a complete standstill.

[Choe] What is the U.S. strategy for opening up North Korea?

[Laney] Basically, the U.S. strategy toward North Korea is to be implemented under close consultations with the ROK. It is a basic position of our strategy that without improved North-South Korean relations, even a step forward cannot be made. The failure to improve North-South relations and the rejection of dialogue are working as a great obstacle, and we are greatly concerned about this. The United States will not be able to resolve the North Korean question without the ROK's absolute support and action, nor does it intend to do so. One of the basic factors in the U.S. strategy is to make North Korea sincerely implement the provisions of the Geneva agreement, by cooperating with the ROK and Japan. The recent activities of the Korean Peninsula Energy Development Organization [KEDO] and the agreement on the light-water reactor provision signed in New York represent progress worthy of recognition both by the ROK and the United States.

[Choe] When do you think the reunification of North and South Korea might possibly be achieved?

[Laney] I have not been able even to start to guess the time of reunification. [laugh] However, I would like to point out that the United States is making efforts, together with the ROK, for Korea's reunification in each step and phase. I believe that as far as the reunification issue is concerned, it should be pursued totally by North and South Korea. The U.S. role is to only call on related parties to advance toward reunification and to actively support the efforts for reunification from the rear. Besides, the U.S. position is that reunification should be achieved according to the conditions desired by the ROK people.

[Choe] One of the impending issues between the ROK and the United States is the visa issue. Do you not have any measures for improvement?

[Laney] I wish to personally apologize to the people who have experienced inconveniences while applying for visas. The U.S. Embassy is making great efforts to increase its efficiency in issuing visas. With a view to shortening the period from visa application to issuance to three days, the Embassy has increased the number of employees, and even expanded employees' overtime and holiday working hours. Besides, in addition to the system of faxing visa applications, we are planning to begin a new delivery system within two weeks so that the overall procedure is simplified. Accordingly, I feel that 80 percent of those wishing to visit the United States may obtain visas without actually coming to the U.S. Embassy. Adults residing in local areas (except students) need not come to the Embassy if they go through the Travel Agent Recommendation Program. Thus, I think this year we will be able to handle 500,000 visa issuance cases. Prompted by economic growth, the number of ROK people travelling overseas is rapidly increasing, and the ROK is approaching the scope of nations with visa-free entry into the United States. I hope the ROK will rapidly reach the category of a U.S. visa-free country. I am sure this will be achieved.

[Choe] Are the negotiations on revising the ROK-U.S. Status-of-Forces Agreement [SOFA] progressing smoothly?

[Laney] Progress has been made to a certain extent. I hope all the unpleasant feelings of the ROK people, as well as troubled items of the agreement, will be removed during the next round of talks to be resumed in Washington. What I can say basically is that the ROK and the United States are promoting the conclusion of a treaty equivalent to the SOFA between the United States and Japan.

[Choe] What do you think of ROK media comments on ROK-U.S. relations?

[Laney] I believe that the ROK media play an important role in developing democracy in the ROK. In particular, the freedom of speech they have achieved after surviving state control and media supervision in the past appears glorious. There is one thing I want to say to them: In all countries, reporting the truth is important in the course of planting the roots of democracy. The influence of the media is great in the ROK. I think the ROK media also exert a great influence on the maturation of democracy and the development of ROK-U.S. relations.

[Choe] What is your opinion of President Kim Yong-sam's intent to "correct history?"

[Laney] I applaud President Kim from the bottom of my heart for his effort to advance democracy one more step ahead. This effort is indeed what guarantees the transparency of the past and embodies genuine justice, based on confidence in the judicial system.

[Choe] How would you grade the current ROK-U.S. relations — on a scale of 1 to 100?

[Laney] I would give relations 80 points. The ROK and the United States are working together to resolve the SOFA, trade, and visa issues, leaving room for improvement. Relations between the two countries have developed rapidly. As a result, their relations are different not only from relations 20 years ago, but from relations 10 years ago. That is, the relationship is no longer an "older brother-younger brother" relationship. I believe that with the growth of the ROK economy and its national strength, the two countries have come to establish equal relations. ROK-U.S. relations have reached a very satisfactory level, and there are few countries in the world with which the United States maintains so consolidated and important a relationship as it does with the ROK.

[Choe] What was the U.S. role in the Kwangju democratization movement?

[Laney] The United States well understands what hurt the Kwangju democracy movement left in the ROK people's minds. At the same time, we want to know the real state of the movement. In a statement issued several years ago, the U.S. Government revealed that the ROK Army units which moved at that time were out of the control of the U.S. Forces, and that they did not ask for U.S. Forces' approval for their moves. The statement also specified the fact that the United States wished to announce its position as shown above at that time through the ROK media, but this wish was blocked by the then-ROK regime. The United States thinks the revelation of the truth on the Kwangju incident is a sound effort for ROK politics. The U.S. Government has nothing to conceal in this matter.

[Choe] What are your feelings on the beginning of your third year here in the ROK?

[Laney] It is worthwhile for me to do important things for ROK-U.S. relations. I like my Korean colleagues, as well as Korean culture and food, very much. The primary reason my wife and I are really happy is because we work in a country we love. The ROK has been significant in my life for 50 years, since my first visit when I was 19 years old. The ROK is an important part of my life that will not disappear from the horizon of my life.

ROK Prosecutors To Charge USFK Employee With Murder

SK2701025596 Seoul YONHAP in English 0247 GMT 27 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 27 (YONHAP) — The Seoul District Prosecutor's Office decided Saturday to formally indict Henry Kevin McKinney, a civilian employee for U.S. Forces Korea [USFK], for beating his live-in Korean girlfriend to death.

For the first time since the Status of Forces Agreement was signed by South Korea and the United States in 1966, the American suspect, who was arrested Jan. 20, was not immediately handed over to USFK authorities.

During a heated argument Jan. 18 with Kang Un-kyong at her Socho-tong apartment in southern Seoul, McKinney, 36, reportedly beat her in her chest and face. Kang fell down and hit her head, later dying of cerebral hemorrhage.

ROK KTC Decides To Investigate U.S. Chemical 'Dumping'

SK2701011696 Seoul THE KOREA HERALD in English 27 Jan 96 p 8

[FBIS Transcribed Text] The Korea Trade Commission (KTC) decided yesterday to open investigations into some U.S. firms' alleged dumping of a chemical product in the domestic market.

The decision followed the complaint by Korea Polyol Co., a local maker of ethanolamine, a chemical material used to make detergents and cosmetics, that U.S. companies, including Union Carbide Corp. and Dow Chemical Co., had dumped their products developed and marketed by the Korean maker in 1993.

The trade watchdog under the wing of the Ministry of Trade, Industry and Energy will conduct preliminary probes within three months, KTC officials said. If the initial probe finds that the U.S. makers have dumped their products and damaged the domestic industry, the commission will slap punitive tariffs pending the full-scale investigation to be conducted both here and abroad.

The domestic demand for ethanolamine is valued at 8 billion won ($10 million) annually, about 55 percent of which is met by imports. The U.S. makers account for 90 percent of the foreign supply, the officials said.

"According to the Korean petitioner, the U.S. firms have slashed their supply prices to $600-$700 per ton from the $1,000 since the Korean firm successfully developed the product," an official said. "That appears to be intentional price management."

He said that although the absolute value of imports is not so significant, the giant multinational corporations are expected to swiftly respond to the antidumping litigation through their lawyers.

Another official said that he does not think this would lead to another trade dispute between the governments of the two countries. "Besides the fact that the involved amounts are insignificant, there will be little room for the U.S. makers to refute it," he said.

A few years ago, Seoul and Washington had a trade dispute over the commission's antidumping litigation concerning the U.S. firms' polyacetal resin to Korea, which was later referred to a panel of the General Agreement on Tariffs and Trade.

In the latest case, the KTC will for the first time investigate not only the issue of whether there are industrial damages or not but also the scope of dumping margins, the officials said. So far, the survey on dumping margins has been done by the Korea Customs Service, the officials said.

The commission, holding its 98th session, also decided to lower the quota tariffs on the soybean imports from the present 2 percent to a zero rate and raise its import duties up to 25 percent, a measure to protect the domestic industry from the cheap foreign imports of soybean oil, they said.

The trade watchdog also will extend the antidumping tariffs on the refined phosphoric acid imports from China for another two years, while excluding certain Japanese-made glass fiber materials from the punitive duties as these are not produced locally, they said.

Seoul Opposes Rapid Japan-DPRK Normalization

SK2701110896 Seoul CHOSON ILBO in Korean 27 Jan 96 p 2

[Report by Ku Song-chae]

[FBIS Translated Text] In the belief that Japan's speed in normalizing relations with North Korea is in violation of principles which the Japanese Government has pledged to follow, the ROK Government on 26 January decided to cope with this with strong measures.

A relevant Foreign Ministry official stated that "Japan is accelerating the speed of normalization of relations with North Korea, as can be seen in such moves as the movement to recover the Japan-DPRK Parliamentarians League within the ruling coalition party and the move to realize the visit of a delegation of the Japanese ruling coalition party to North Korea at an early date. Such moves are in violation of the principle revealed by the Japanese Government on progress based on harmonious equilibrium in Japan-DPRK relations and North-South Korean relations. As such, the ROK Government will make every effort to rectify the moves."

The government is positively reviewing a plan to refuse the visit to the ROK by a delegation of the Japanese ruling coalition party headed by Taku Yamazaki, chairman of the Political Coordination Committee of the Liberal Democratic Party [LDP]. The Japanese coalition party is pushing ahead with the visit of its delegation to the ROK before the visit to North Korea. The ROK Government is also reviewing a plan to send a delegation of protest to Japan against Koichi Kato, secretary-general of the LDP who is playing the main role in the movement to restore the Japan-DPRK Parliamentarians League.

It was also learned that the government is examining the suitability of holding ROK-Japan foreign ministers talks, which are scheduled to be held in Thailand on 2 February.

ROK Air Force Chief Discusses Situation in DPRK

SK2801062896 Seoul SEOUL SINMUN in Korean 28 Jan 96 p 2

[Report by reporter Hwang Song-ki]

[FBIS Translated Excerpt] On the morning of 27 January, Kim Hong-nae, the chief of staff of the ROK Air Force, held a meeting of Air Force Operations Command officers to analyze the situation in North Korea and surrounding countries as well as to discuss major plans for 1996.

Chief of Staff Kim stated: The situation in North Korea is reaching a crucial point due to the instability of the North Korean system, the serious food shortages, and the North's international isolation. North Korea is showing unpredictable military moves, as witnessed by the rise of hardliners within the military and the deployment of tactical aircraft to the front. Our Air Force should do its utmost to fulfill its mission of defending our territorial air space. [passage omitted]

DPRK Identifies 'Defector' From ROK

SK2701083396 Seoul YONHAP in English
0757 GMT 27 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 27 (YONHAP) — A North Korean radio claimed Saturday that a former ruling party official had recently defected to the North through a third country.

The alleged defector was identified by the central radio as Chong Un-yong, age 48, formerly chief propaganda officer of the Iksan Chapter of the Democratic Justice Party and its successor, Democratic Liberal Party.

A South Korean official said, however, it is yet to be determined whether Chong had defected to the North on his own or had been kidnapped by North Korean agents.

Burma

BURMA: Cambodian First Prime Minister Welcomed Upon Arrival

BK2701080396 Rangoon Radio Myanmar in Burmese 0630 GMT 27 Jan 96

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh, first prime minister of Cambodia, his consort Princess Norodom Marie Ranariddh, and party arrived in Myanmar [Burma] aboard a special airplane this morning to pay a visit at the invitation of Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and prime minister of the Union of Myanmar Government, and his wife Daw Kyaing Kyaing.

The first prime minister of Cambodia, Princess Norodom Marie Ranariddh, and party were welcomed at Yangon Airport by Senior Gen. Than Shwe and his wife Daw Kyaing Kyaing; SLORC Vice Chairman Gen. Maung Aye and his wife; SLORC Secretary-1 Lieutenant Gen. Khin Nyunt and his wife; SLORC Secretary-2 Lt. Gen. Tin U and his wife; Vice Admiral Maung Maung Khin, deputy prime minister, and his wife; Lt. Gen. Tin Tun, deputy prime minister, and his wife; Foreign Minister U Ohn Gyaw and his wife; Brigadier Gen. Myo Thant, minister of the SLORC Chairman's Office; Brig. Gen. Khin Maung Than, chairman of the Yangon Division Law and Order Restoration Council and commander of the Yangon Military Command, and his wife; and diplomats and their wives.

BURMA: Agreement To Form Joint Commission Signed With Cambodia

BK2701162796

[FBIS Summary] Rangoon Radio Myanmar in Burmese at 1330 GMT on 27 January carries five reports on the activities of Prince Krompreah Norodom Ranariddh, first prime minister of Cambodia, and his party, who are in Rangoon to pay a goodwill visit.

The first report was covered by referent item.

The second reports says: "Prince Krompreah Norodom Ranariddh, first prime minister of Cambodia, who is in Yangon [Rangoon] to pay a goodwill visit, called on Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and prime minister of the Union of Myanmar [Burma] at the People's Assembly Building's Protocol Hall at 1330 today."

"With Sr. Gen. Than Shwe at the meeting were General Maung Aye, vice chairman of the SLORC, deputy commander in chief of the Defense Services, and commander in chief of the Army; Lieutenant General Khin Nyunt, secretary-1 of the SLORC; Lt. Gen. Tin U, secretary-2 of the SLORC; Vice Admiral Maung Maung Khin and Lt. Gen. Tin Tun, members of the SLORC and deputy prime ministers; U Ohn Gyaw, minister of foreign affairs; and Brigadier General Myo Thant, minister of the SLORC Chairman's Office. The first prime minister of Cambodia was accompanied by Mr. Ing Huot, minister of foreign affairs and international cooperation; Mr. Veng Sereivut, minister of the Council of Ministers' Office and minister of tourism; Mr. Ek Sereivoat, state secretary of national defense; Mr. Sun Chanthol, state secretary of economy and finance; Mr. Lu Laysreng, state secretary of trade and commerce; and high-level officials."

The third report says: "A ceremony to sign an agreement on forming a joint commission for cooperation between the Union of Myanmar Government and the Cambodian Government was held at the People's Assembly Building's Room No.103/104 at 1430 today. The ceremony was attended by Sr. Gen. Than Shwe, chairman of the SLORC and prime minister; Gen. Maung Aye, vice chairman of the SLORC, deputy commander in chief of the Defense Services, and commander in chief of the Army; Lt. Gen. Khin Nyunt, secretary-1 of the SLORC; Lt. Gen. Tin U, secretary-2 of the SLORC; Vice Adm. Maung Maung Khin and Lt. Gen. Tin Tun, members of the SLORC and deputy prime ministers; U Ohn Gyaw, minister of foreign affairs; and Brig. Gen. Myo Thant, minister of the SLORC Chairman's Office; senior departmental officials; Prince Krompreah Norodom Ranariddh, first prime minister of Cambodia; Mr. Ing Huot, minister of foreign affairs and international cooperation; Mr. Veng Sereivut, minister of the Council of Ministers' Office and minister of tourism; secretaries of state and high-level officials."

"Following the agenda, U Ohn Gyaw, minister of foreign affairs, and Mr. Ing Huot, minister of foreign affairs and international cooperation, signed and exchanged the agreement on forming a joint commission for cooperation between the Union of Myanmar Government and the Cambodian Government. The ceremony ended after the exchange of the agreement."

The fourth reports says: "Sr. Gen. Than Shwe, chairman of the SLORC and prime minister of the Union of Myanmar, and his wife Daw Kyaing Kyaing hosted a dinner in honor of Prince Krompreah Norodom Ranariddh, first prime minister of Cambodia, his consort Princess Norodom Marie Ranariddh, and delegates — who are in Myanmar to pay a goodwill visit — at the People's Assembly Building's Reception Hall at 1900 today."

"The dinner was also attended by Gen. Maung Aye, vice chairman of the SLORC, deputy commander in chief of the Defense Services, and commander in chief of the Army, and his wife; Lt. Gen. Khin Nyunt, secretary-1 of the SLORC, and his wife; Lt. Gen. Tin U, secretary-2 of the SLORC, and his wife; Vice Adm. Maung Maung Khin and Lt. Gen. Tin Tun, members of the SLORC and deputy ministers, and their wives; SLORC members and their wives; cabinet ministers and their wives; the chief justice, the attorney general, the auditor general, the chairman of the Yangon City Development Committee and the mayor of Yangon, and the deputy minister of foreign affairs, and their wives; senior departmental officials; the dean of the diplomatic corp in Myanmar and his wife; ambassadors and their wives; and civil and defense services personnel."

"At the dinner, the state band played the national anthems of Cambodia and the Union of Myanmar. After the national anthems, Sr. Gen. Than Shwe, his wife Daw Kyaing Kyaing, Prince Krompreah Norodom Ranariddh, and his consort Princess Norodom Marie Ranariddh, gave toasts together with the people attending the dinner."

The fifth report says: "Lt. Gen. Khin Nyunt, secretary-1 of the SLORC, and his wife Dr. Khin Win Shwe called on Prince Krompreah Norodom Ranariddh, first prime minister of Cambodia, and his consort Princess Norodom Marie Ranariddh — who are in Yangon on a goodwill visit — at the state guest house, Seinletkantha, at 1100 today. The first prime minister of Cambodia was accompanied at the meeting by Mr. Ing Huot, minister of foreign affairs and international cooperation; Mr. Veng Sereivut, minister of the Council of Ministers' Office and minister of tourism; and high-level officials. Lt. Gen. Khin Nyunt, secretary-1 of the SLORC, was accompanied by U Ohn Gyaw, minister of foreign affairs, and his wife; Brig. Gen. Myo Thant, minister of the SLORC Chairman's Office; and Thura U Aung Htet, director general of the Protocol Department of the Foreign Ministry."

BURMA: Imprisoned Thais Transferred to Rangoon Prison

BK2701084196 Bangkok Radio Thailand Network in English 0000 GMT 27 Jan 96

[FBIS Transcribed Text] The Myanmar [Burmese] Government has responded to the Thai Government's request to transfer imprisoned Thai nationals across Myanmar to the central prison in Yangon [Rangoon]. Director General of the Myanmar Consul Department U Aye Lwin told the Thai ambassador to Myanmar, Poksak Nimubon, of the transfer made in accordance with the Thai request. The request was meant to facilitate the embassy contact and assistance given to imprisoned Thai nationals.

About 220 Thais, most of them fishing crew, have been imprisoned in Myanmar under the charges of violating Myanmar's territorial waters.

At the same time, the Myanmar Consul Department director general asked the Thai Government to reciprocate by transferring imprisoned Myanmar nationals to the central prison in Bangkok. The Ministry of Foreign Affairs will raise the matter in consultation with government departments concerned.

BURMA: Use of Thai Currency Reportedly Banned in Shan State

BK2801131796 Bangkok THE SUNDAY POST in English 28 Jan 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Burmese forces in Shan state have slapped a ban on the use of Thai currency in business transactions and campaigned against Thai imports, it was claimed Friday.

A well-informed source in drug warlord Khun Sa's Mong Thai Army (MTA) said Burmese troops had also imposed stricter regulations on the travelling of Thai citizens into Ho Mong, Khun Sa's former headquarters.

It was taken over by Rangoon following his surrender this month.

The source said Thai imports are comparatively more expensive than the same kinds of goods imported into Shan state from China and those made locally.

For instance, Thai rice fetches 12-15 baht per litre compared to six to eight baht for local grains.

An egg from Thailand is priced at five to six baht compared to only two to three baht from local farms.

Meanwhile, about 500 Karen and Shan civilians have fled across the border from Shan state into Huai Buk of Mae Hong Son's Muang District since Burmese forces launched a drive against Karenni guerrillas this month.

Mae Hong Son Governor Somchet Wiriyadamrong said about 2,000 refugees — mostly children, women and the aged — are now taking refuge in Huai Buk.

A Thai army officer said Burmese troops based in Na Mon, about three kilometres from the border of Mae Hong Son's Muang District, had threatened to occupy Doi King Hon on Thai territory, claiming the mountain is on Burmese soil.

BURMA: Than Shwe Receives Singaporean Ministers in Rangoon

BK2601144096 Rangoon Radio Myanmar in Burmese 1330 GMT 26 Jan 96

[FBIS Translated Text] Senior General Than Shwe, chairman of the State Law and Order Restoration Council and commander in chief of the Defense Services of the Union of Myanmar [Burma], received Mr. Mah Bow Tan, minister of communications, and Mr. Lim Hng Kiang, minister of national development and deputy minister of foreign affairs of the Republic of Singapore, who are currently in Myanmar, at the People's Assembly Building's Protocol Hall in Yangon [Rangoon] at 1600 today.

BURMA: Inaugural Ministerial Meeting With Singapore Begins

BK2401091496 Singapore BUSINESS TIMES in English 24 Jan 96

[Report by Loh Hui Yin in Rangoon — received via Internet]

[FBIS Transcribed Text] Four co-operation projects were endorsed at yesterday's inaugural meeting of the Singapore-Myanmar [Burma] ministerial committee. Though the endorsements seem commonplace, they actually build upon the web of economic links between both countries.

The Joint Ministerial Working Committee itself is an outcome of the bilateral economic cooperation agreement signed in June 1995.

The four projects cover: tourism development, improvement of rice production and poultry breeds, and human resource training — all designed to meet Myanmar's economic objectives while giving Singapore businessmen entry into an emerging market. They will be funded by the US$3 million [Singapore dollar] (S$4.26 million) Myanmar Technical Assistance Fund being set up by the Singapore government.

Representing Singapore at the first meeting were the Trade and Industry Minister Yeo Cheow Tong who was one of the Committee's co-chairman, Communications Minister Mah Bow Tan and National Development Minister Lim Hng Kiang and senior government officials.

Co-chairman from the Myanmar side was Lt-Gen [Lieutenant General] Khin Nyunt, Secretary One of the State Law and Order Restoration Council, and his cabinet colleagues. "Tourism development is an area where Singapore is strong in and is keen to share its experience," said Mr Yeo. Myanmar is promoting its tourism industry and has designated this year as the "Visit Myanmar Year". The Singapore Tourism Promotion Board will work with Myanmar's Ministry of Hotels and Tourism to identify key overseas markets to encourage tour packages which sell the two destinations.

Also, "being in the early stages of its development, Myanmar needs to build a core group of expertise in certain areas", noted Mr Yeo.

Singapore will develop training programmes in tourism, agro- business and export market development. At the end of three years, Myanmar will have a pool of over 500 personnel trained in tourism services and export market development.

Singapore would assist Myanmar in improving its fragrant rice production. This in turn would also help diversify Singapore's sources of the staple, pointed out Mr Lim.

"Food supplies from places like Malaysia and Thailand would diminish as their economies restructure and industrialise. That's why we are looking at other areas like Mynamar, Vietnam and Sumatra where our traders have links." Similarly, improving poultry breeds will give Singapore businessmen a chance to invest in the poultry industry in Myanmar which is in its early stages of development.

The signing of a more liberal air services agreement capped the inaugural meeting. The agreement will go a long way in serving the growing economic ties between the two countries which last year saw bilateral trade hit the S$1.2 billion mark. Singapore was also the second biggest foreign investor, with cumulative commitments of S$781 million as of end August last year.

Passenger traffic between both countries grew at an annual compound rate of 62 per cent while cargo traffic expanded by 57 per cent.

BURMA: Khun Sa's '10-Point Agreement' With Government Detailed

BK2701093396 Bangkok THAILAND TIMES in English 27 Jan 96 p A2

[Unattributed report]

[FBIS Transcribed Text] A 10-point agreement was signed by Khun Sa and the Burmese government early this week when the junta's Secretary 1 Lt-Gen Khin Nyunt visited Ho Mong.

1. The Mong Tai Army (MTA) and the Burmese government agree to sign a cease-fire accord and the MTA will hand over its ammunitions to the Burmese

authorities (the ceremony for arms hand-over was done on January 7).

2. After the cease-fire agreement, the MTA will remain in the areas of the Shan state without the Burmese control and the arms handed over will be returned to the MTA.

3. An initial cease-fire ceremony will be held to discuss several matters including the MTA's rights, political, drug, and Shan state's internal problems.

4. Burmese troops will not interfere in the MTA controlled areas and bases in the Shan state.

5. The two sides will not meddle with one another's economic system, including gems business and taxation on import-export goods as well as some prohibited products.

6. The two sides will cooperate in developing Shan state and the Burmese government will provide assistance to people living in the Shan state in form of food, housing, education, medical services, and treatment for drug addiction.

7. The Burmese government will allow Khun Sa to continue his logging business along the Thai-Burmese border in Shan state on conditions that the Burmese government will control logging concessions and choose purchasers to whom Khun Sa have to sell his timber.

8. The two sides will have a discussion on the Burmese troops to be stationed at passages along the Thai-Burmese border as well as at entrances of MTA bases after the situation along the border areas return to normal.

9. The Burmese government urges Khun Sa to negotiate with splintered ethnic Shan MTA soldiers and Shan people, who disagreed with Khun Sa's decision to surrender, so that they will follow the cease-fire agreement.

10. The Burmese government agrees with Khun Sa's demand that he will not be extradited to the United States.

BURMA: Aung San Suu Kyi on Detention of Party Supporters

BK2901110996 Hong Kong AFP in English 1054 GMT 29 Jan 96

[FBIS Transcribed Text] Rangoon, Jan 29 (AFP) — Burmese opposition leader Aung San Suu Kyi on Monday shrugged off recent detentions of her party supporters, saying they were nothing new and part of a routine dating back to the military junta's takeover.

"This has been going on for the past seven years. So many NLD (National League for Democracy) people have been arrested on so many different pretexts," she told AFP.

"The attempt to intimidate the NLD has been going on for a long time," she added.

Aung San Suu Kyi spent nearly six years under house arrest before she was released by the military authorities on July 10. Her NLD won general elections in 1990, but the junta refused to recognize the results and hand over power.

Aung San Suu Kyi identified the latest people detained as six members of the Insein branch of the NLD, who were taken into custody on the evening of January 27.

They included branch deputy chairman Thein Tung and lawyer Maung Maung Lay, she said.

"I believe they were taken away because some of them had presented a poem to the family of U Tin Maung Win," she said. Tin Maung Win died in prison on January 18, 1991.

Aung San Suu Kyi said the NLD legal team was on the case, although no formal charges had been laid.

Of 13 supporters detained in Mandalay earlier this month after attending January 4 Independence Day celebrations at her Rangoon home, four remained in custody, she said.

She identified them as two comedians who had performed at the private party and two NLD members who had attended.

Military authorities were believed to have taken exception to satirical remarks made during the performance.

"I believe they've been charged under section 5J," she said, describing it as a "catch-all" provision.

"We call it the 'don't like you section'," she remarked.

A report on Sunday that only two remained in custody was mistaken, she indicated.

Asked whether there had been any threats against her weekend rallies which attract an estimated 3,000 people, Aung San Suu Kyi said authorities could only, according to the law, move against gatherings intending to create disturbances.

"We are not interested in creating disturbances of any kind at all... our gatherings are extremely disciplined and quiet," she said.

BURMA: 51 MTA Members Surrender in Tangyan Township

BK2801155796 Rangoon TV Myanmar Network in Burmese 1330 GMT 28 Jan 96

[FBIS Translated Text] The State Law and Order Restoration Council [SLORC] government is leading; striving; and implementing the correct political, economic, and social objectives so the public and the national races residing in Myanmar [Burma] can live peacefully. At present, due to the SLORC government's correct leadership, almost all the ethnic armed groups in the jungle have given up their policy of armed struggle and returned to the legal fold. This is why the public and the national races can now earn a peaceful living. The public and the national races must work together in cohesion to establish a new modern and developed country.

Members of the Mong Tai Army [MTA] led by U Khun Sa have accepted and developed faith in the truth of the SLORC government's political, economic, and social objectives; the success of the large development programs in border areas; the success of the large projects being implemented to establish a modern nation; and the success of all-around development in Myanmar. They have realized that there is no need to continue the armed struggle and have completely given up their evil narcotics business that destroys mankind. They have been continuously surrendering their weapons to the Defense Services and returning to the legal fold in groups in many parts of Shan State since 5 January 1996.

The MTA members, who were active in many parts of the Shan State, have been surrendering to the Defense Services columns. It has been learned that a group of MTA members that was active in the Naung Laing and Mong Chet regions of Tangyan Township in northern Shan State, led by Regimental Commander San Thiha of the 72d Regiment under the command of the 6th MTA Brigade, and Sai Pan, officer in charge of the Mong Chet region, returned to the legal fold on the afternoon of 26 January.

The MTA members surrendered their weapons one by one at a surrender ceremony held at Naung Laing village in Tangyan Township. At the ceremony, Lieutenant Colonel Aye Kyu, acting commander of the No. 3 Tactical Operations Group of the Northeast Military Command, delivered a welcome speech. After that, U Khun Hla, brigade commander of the MTA's 6th Brigade, explained how to live a peaceful life to the MTA members. Next, the tactical commander shook hands with each MTA member. The ceremony ended after the tactical commander provided the necessary assistance to the MTA members.

At the ceremony, a group of 51 MTA members led by Regimental Commander San Thiha and Sai Pan, officer in charge of the Mong Chet region, returned to the legal fold, surrendering 34 assorted heavy and small weapons, assorted ammunition, and two walkie-talkies.

A total of 6,580 MTA members led by U Khun Sa have returned to the legal fold, surrendering 3,084 assorted weapons to the Defense Services, at the Ho Mong Headquarters; a total of 1,981 MTA members have returned to the legal fold, surrendering 2,194 assorted weapons, at Loi Lam Camp; a total of 1,719 MTA members have returned to the legal fold, surrendering 1,129 assorted weapons, at Lwe Tun Camp; a total of 101 MTA members have returned to the legal fold at Lwe Htwe Camp; a total of 250 MTA members have returned to the legal fold, surrendering 123 assorted weapons, in the Mong Htaw and Mong Hta regions; a total of 118 MTA members have returned to the legal fold, surrendering 111 assorted weapons, in the Wan Sing, Kengtaung, and Kongmon regions of southern Shan State; and a total of 990 MTA members have returned to the legal fold, surrendering 517 assorted weapons, in the Naung Laing, Mong Hin, and Mong Ha regions of northern Shan State since 5 January 1996.

It has been learned that a total of 11,739 MTA members led by U Khun Sa have returned to the legal fold, surrendering 7,122 assorted weapons to the Defense Services, since 5 January.

The remaining MTA members are contacting the Defense Services columns and continuously returning to the legal fold.

BURMA: 161 MTA Members Surrender to Defense Services

BK2801111296 Rangoon TV Myanmar Network in Burmese 1330 GMT 27 Jan 96

[FBIS Translated Text] To establish a modern and developed nation, the state government has laid down national objectives that include working for the collective participation and efforts of the national races and eternal unity and harmonious existence among the national races to achieve national consolidation. National consolidation plays an important role in the emergence of a stable, peaceful, and prosperous nation. As 15 out of 16 armed groups in the jungle have realized that the state government is striving for national consolidation, developing the border areas, and upgrading the living standard of the national races in the country, they have returned to the legal fold. Similarly, the MTA [Mong Tai Army] an armed group led by U Khun Sa, has realized, accepted, and developed faith in the state government's undertakings.

It has been learned that the MTA members have been surrendering their weapons unconditionally to the Defense Services and returning continuously to the legal fold in groups since 5 January 1996.

It has been learned that a total of 161 MTA members led by Brigade Commander Law Mar of the 2d MTA Brigade who were active in the Mong Hin and Mong Ha regions of Mong Re Township in northern Shan State returned to the legal fold on the morning of 25 January, surrendering 96 assorted heavy and small weapons and eight pieces of communications equipment.

A surrender ceremony was held at Panmon village in Mong Re Township. It was attended by Lieutenant Colonel San Sit, acting tactical commander of the No. 2 Base Tactical Operations Group of the Northeast Military Command, and responsible personnel. At the ceremony, the tactical commander received a list of men and weapons and delivered an address, while MTA group leader Law Mar explained the reasons for the surrender. Next, Defense Services officers and the MTA group leader inspected the weapons surrendered to the Defense Services. After that, the tactical commander provided the necessary assistance to the surrendered MTA members. The surrender ceremony successfully concluded in the afternoon.

It has been learned that a total of 11,688 MTA members led by U Khun Sa have returned to the legal fold, surrendering 7,088 assorted heavy and small weapons to the Defense Services, in the Ho Mong, Loi Lam, Loi Tun, Mong Htaw, Mong Hta, Wan Sing, Naung Laing, Kongmon, Mong Hin, and Mong Ha regions in eastern, northern, and southern Shan State since 5 January.

BURMA: 57 MTA Members Surrender in Namhsan Township

BK2601162896 Rangoon TV Myanmar Network in Burmese 1330 GMT 26 Jan 96

[FBIS Translated Text] The state government, with the goal of establishing a modern and developed country in accordance with a sound constitution, is spending about 250 million kyats [Burmese currency unit] from the state budget to expedite the development of the border regions inhabited by the national brethren. The state government has been implementing projects in the border areas with increased momentum. Due to these efforts, one can witness significant improvement in the border regions in transportation, schools, hospitals, and the social sector—food, clothing, and shelter.

MTA [Mong Tai Army] members led by U Khun Sa have been continuously returning to the legal fold since 5 January with various weapons after gaining a correct view on the state government's efforts to upgrade and improve the living standard of the national races. They have realized and accepted that the Defense Services are striving for the nation's improvement and development of the nation from all sides. They have also admitted and apologized for their past mistakes and have handed over their territories to the Defense Services.

A group of MTA members led by Regimental Commander Han Mein of the 1031st Regiment, which was operating under the command of the 273th Brigade of the MTA and was active in Namhsan and Kunhing Townships in southern Shan State, returned to the legal fold on the morning of 25 January.

A surrender ceremony was held at Kongmon Village in Namhsan Township; more than 700 people attended. This number included: Lieutenant Colonel Khin Maung Soe, acting tactical commander of the No. 1 Tactical Operations Group of the Eastern Military Command; high-ranking Defense Services officers; members of the Namhsan Township Law and Order Restoration Council; members of the Union Solidarity and Development Association; and local residents. During the ceremony, the tactical commander delivered a welcome speech and Regimental Commander Han Mein of the 1031st Regiment explained the reasons for the surrender.

After the speeches, Regimental Commander Han Mein presented a list of men and weapons to the tactical commander. At the ceremony, a total of 57 MTA members led by Regimental Commander Han Mein surrendered and returned to the legal fold, together with 51 assorted weapons, magazines and assorted ammunition, assorted shells, and Icon-brand walkie-talkies.

The tactical commander then provided assistance to the returnees, and they were transported to their home areas in the afternoon.

A total of 11,527 MTA members led by U Khun Sa have already returned to the legal fold, surrendering 6,992 assorted weapons to the Defense Services in the Ho Mong, Loi Lam, Lwe Tun, Mong Htaw, Mong Hta, Wan Sing, Naung Laing, and Kongmon regions in the eastern, northern, and southern Shan State from 5 January to date.

BURMA: Karenni Liberation Front Urges SLORC-NLD Dialogue

BK2701131796 (Internet) BurmaNet News in English 26 Jan 96

[Statement issued by the Karenni National People's Liberation Front Central Committee on 21 January; place not given]

[FBIS Transcribed Text] To All people of Burma, The Karenni National People's Liberation Front (KNPLF), being a political organization, considers that it has the responsibility to inform the country and people of its opinion regarding the common problems of the country.

Therefore, we state our opinion as follows:

1. At present, it is a very crucial time for all people of Burma. We have the responsibility, to work collectively for the sake of non-disintegration of the union, non-disintegration of national solidarity, and consolidation of national sovereignty.

2. According to past historical experience, we have learned that national disunity has broken out when the political problems of Burma were solved by means of confrontation.

3. We believe that it is very appropriate to solve the different problems of the country through dialogue, democratically and peacefully under the status of equality and mutual respect.

4. Regarding the National Convention, we believe and hope that if there is a dialogue between the State Law and Order Restoration Council (SLORC) and the NLD (National League for Democracy) to address the differences, in the name of the interest of the country with equality, patience and tolerance, it will lead to the good consequences and results for the future of Burma.

Therefore, we sincerely urge the SLORC and NLD to find the solution through dialogue.

Central Committee

Karenni National People's Liberation Front.
Date: January 21, 1996

(This document came out in Burmese and was translated by the Research Department of the ABSDF [All Burma Students' Democratic Front]-MTZ [Moe Thee Zun faction].)

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Major Powers' Late Dues Put UN on Bankruptcy Trail

BK2601082496 Kuala Lumpur THE STAR in English 26 Jan 96

[BERNAMA Report — received via Internet]

[FBIS Transcribed Text] KUALA LUMPUR — Malaysia, one of the few member countries which contributed to the United Nations on time last year, said yesterday the world body is on the verge of bankruptcy because of late and incomplete payments, especially by some major countries.

Permanent representative to the UN Tan Sri Razali Ismail said this had been recognised by virtually all delegations as the principal cause of the problem.

"All governments have a duty in solving the serious financial problem situation in a fair and balanced way," he said at a working group meeting on the world body's financial situation at the UN headquarters in New York.

For the 1995 regular budget, only 21 of the 185 member states, including Malaysia, paid their dues within the 30-day deadline. There is a separate budget for peacekeeping operations.

Razali, who was nominated for the presidency of the General Assembly recently, said governments should also not use the payments issue as a flogging horse or political football as a way out of the financial crisis.

Razali said: "To try to justify late and incomplete payment by talking about inefficiency of the UN is not persuasive. It is tantamount to holding the UN to ransom."

The "High-Level Open Ended Working Group on the Financial Situation" completed its first round of negotiations in July last year. This second round of discussions was expected to make some hard decisions on the specific issues involved, including payment in full and the problem of arrears, incentives and disincentives; scale of assessment and innovative financing mechanisms.

Razali said it was never easy to come up with an assessment rate that would satisfy all member states.

"But Malaysia supports the validity of the current scale of assessment as it fairly reflects the principle of the capacity to pay and the consensus agreed upon by all member states."

However, he added: "There are some very poor countries which really cannot pay...they deserve some sympathy."

Malaysia: Official Condemns French Nuclear Test

BK2901091496 Kuala Lumpur Voice of Malaysia in English 0800 GMT 29 Jan 96

[FBIS Transcribed Text] Malaysia has condemned the latest French nuclear test in the South Pacific. The acting minister of foreign affairs, Datuk Abu Hassan Omar, condemned the sixth test at a news conference in Kuala Lumpur this morning. France detonated its latest and possibly the last at the Fangataufa Atoll yesterday. The explosion was equivalent to 120,000 tons of conventional explosives. According to Datuk Abu Hassan, the action will have adverse effect on world peace. Malaysia will issue an official statement on the matter.

Malaysia: Mekong Basin Development Discussed With Yunnan Group

BK2401083896 Kuala Lumpur THE STAR in English 24 Jan 96

[Report by Hah Foong Lian — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Authorities in Malaysia and Yunnan Province in China are keen to build railway links for ASEAN countries to develop the Mekong Basin.

Transport Minister Datuk Sri Dr. Ling Liong Sik said the tracks would run from Singapore to Kuala Lumpur and through countries of the Mekong Basin, ending at Kunming City.

The Mekong Basin link is aimed at bringing together the governments of six countries — Vietnam, Cambodia, Laos, Myanmar [Burma], Thailand and China — to turn the region into a growth centre.

The idea, initiated by the Asian Development Bank in 1992, drew up the scope of co-operation to cover tourism, energy, infrastructure, telecommunications, transportation, trade and investment. "The good news is that they (Yunnan) already have a metre gauge track laid from Kunming to Hanoi," Dr. Ling told reporters yesterday after meeting Yunnan delegates.

He said the rail link from Kunming to Hanoi would be opening very soon, adding that the tracks also linked Hanoi to Ho Chi Minh City.

Dr. Ling also noted that Singapore, Malaysia, Thailand and Vietnam used the same metre gauge and there were plans to connect Kunming through Vientienne, Bangkok, Kuala Lumpur and Singapore.

Dr. Ling said the discussion with Yunnan delegates, headed by its provincial adviser Gao Yan, also focused on Malaysia's landing rights in Kunming. He said Malaysia was now flying chartered flights to the city and had asked Gao to help secure scheduled flights.

Singapore

Singapore Editorial Views Russian Political Scene

BK2501132196 Singapore THE STRAITS TIMES in English 24 Jan 96 p 28

[Editorial: "Riding the Russian Tiger"]

[FBIS Transcribed Text] Russian President Boris Yeltsin is riding a tiger. It will not be known until the June presidential election — perhaps not until sometime after that — whether he has the skill and the strength to tame the beast to his will and, after dismounting safely, render it harmless. This is to assume not only that the hints he has been dropping will crystallise in a firm announcement next month on standing for president, but also that he will win. The alternative could be troubling for Russia and the world. No one can contemplate with equanimity the prospect of the ultra-right Vladimir Zhirinovskiy, the extreme nationalist Aleksandr Lebed, or the communist Gennadiy Zyuganov in the Kremlin.

All this flows from last month's parliamentary election when communist successes highlighted the social trauma caused by economic reforms. Presumably, it was only in that context that key political figures identified with the democratic centre were thrown to the wolves, Foreign Minister Andrei Kozyrev's departure being followed 11 days later by that of First Deputy Prime Minister Anatoliy Chubais, architect of the privatisation programme. The argument that what matters ultimately is policies and not personalities is borne out to some extent by the later decision to allow foreigners to invest in the Russian treasury bill market, and by talk of issuing a Eurobond. But if each incumbent did not leave some mark on the job, there would surely be no reason for replacing Mr Kozyrev with Mr Yevgeniy Primokov, who is regarded as a hardliner.

Clearly, Mr Yeltsin is trying to outflank the opposition. But at what cost? It seems to be agreed that he unleashed a fierce assault on rebel Chechnya without exhausting the full potential for mediation and negotiation in order to demonstrate to voters that he was by no means soft on terrorism and insurrection. But in trying to defend presidential authority and prestige, Mr Yeltsin may have exposed the office to even worse humiliation, since the crackdown seems to have gone horribly wrong. The resignation of one-time acting Prime Minister Yegor Gaydar from the president's advisory council in protest against the Chechen campaign is a measure of liberal disapproval. Mr Chubais' exit can turn out to be equally catastrophic, though in a different way, since it came in the midst of negotiations for a much-needed US$9 billion (S$ [Singapore dollars] 12.78 billion) loan from the International Monetary Fund (IMF). There is no knowing now when the new agreement, which was supposed to be finalised this month, will be concluded.

Like it or not, the United States is not without a role in helping to sort out this mess. The Americans are known to be concerned about the removal of almost all the reformers in the government whom they perversely describe as pro-Western; it is because of this concern that US Secretary of State Warren Christopher is planning a trip to Moscow. More to the point would be a major American thrust to push through the IMF loan, since cancellation, or even delay, can have an adverse effect on Mr Yeltsin's prospects. Excessive stress at this juncture on last May's Clinton-Yeltsin agreements on nuclear security and weapons inspection might also be counter-productive, since it would give a handle to the president's opponents.

The biggest danger of all is not that they will overwhelm Mr Yeltsin, but that an enfeebled Mr Yeltsin might succumb to the rising tide of Russian nationalism, which he is now trying to contain. Hence the need for all the succour that can be mustered. Commonwealth of Independent States leaders displayed awareness of this requirement last week when they re-elected Mr Yeltsin chairman of their council, expressing the hope that this would ease the way for his continued tenure as President of Russia. Even if he is not the ideal candidate for the job, he is the best that Russia has.

Cambodia

Cambodia: Hun Sen Says Policy Toward U.S. 'Unchanged'

BK2501040796 Phnom Penh National Radio of Cambodia Network in Cambodian
2300 GMT 24 Jan 96

[FBIS Translated Text] Second Prime Minister Samdech Hun Sen said at Krang Yov [Kandal Province] on 21 January that it is possible to organize elections in Cambodia in 1998. However, he added, we should not cast any predictions for the time being.

The 1998 elections are a topic that has drawn the attention of a great many people who have determined that conducting polls would be impossible.

It has been observed that a war of words has occurred successively between opposition groups and the government, which is comprised of two major ruling parties, namely the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and the Cambodian People's Party [CPP].

Commenting on a report that he appeared to be giving orders to [Prince] Ranariddh, Samdech Hun Sen said that is an incorrect view and constitutes a move to cause dissent between Hun Sen and Ranariddh. So far, I have never done anything without consulting the prince, while the latter has never done anything without consulting Hun Sen either. We have always worked together.

At the same time, Samdech Hun Sen reaffirmed that the foreign policy between Cambodia and the United States remains unchanged. Cambodia has already adopted a Constitution by which the country's foreign policy is to have contacts with all countries of the world regardless of their political and social regime.

Cambodia: Sihanouk Leaves for China

BK2701070096 Phnom Penh National Radio of Cambodia Network in Cambodian
0500 GMT 27 Jan 96

[FBIS Translated Text] His majesty the king and his consort left Phnom Penh at 0800 today for further medical checkups in Beijing, China. Seeing the king and queen off at Pochentong International Airport were National Assembly Chairman Samdech Chea Sim; First Prime Minister Prince Norodom Ranariddh and his wife, Princess Norodom Marie Ranariddh; Second Prime Minister Samdech Hun Sen and his wife; and a number of MP's, officials, royal family members, and diplomats.

At 0830, having seen the king off, Prince Krompreah Norodom Ranariddh and his wife left for an official visit to Burma and India and to attend an international economic conference in Switzerland on 5 February.

Cambodia: Ministry Says No Offensive Planned on Khmer Rouge

BK2601153396 Phnom Penh National Radio of Cambodia Network in Cambodian
1300 GMT 26 Jan 96

[Press communique issued by the "Press Department of the Khmer Royal Armed Forces, Defense Ministry" in Phnom Penh on 26 January]

[FBIS Translated Text] The Defense Ministry of the Kingdom of Cambodia wishes to advise the public and the international community through this press communique that, in implementing the Royal Government's political line, the Khmer Royal Armed Forces [KRAF] has no plan at all to launch an offensive against the rebellious bandits during this dry season. The KRAF is, however, duty-bound to defend itself, meaning it can in no way allow the rebellious bandits to attack and capture any of its positions, barracks, or bases.

The KRAF also has the duty to ensure the security of the people who are under the responsibility of the legal Royal Government throughout the entire Kingdom of Cambodia. [passage indistinct]

Cambodia: Government Forces Closing on Khmer Rouge Base

BK2701111296 Hong Kong AFP in English
1029 GMT 27 Jan 96

[FBIS Transcribed Text] Bavel, Cambodia, Jan 27 (AFP) — Cambodian soldiers closed in on the Khmer

Rouge stronghold of Pailin from two directions Saturday and were the closest they had been since they captured and briefly held the base two years ago, senior officers and soldiers said.

Along National Route 10, government troops encountered no resistance late Friday when they occupied Phnom Sloek (Leaf Mountain), 23 kilometers (14 miles) west of Pailin, they said.

Further north on Route 58, government soldiers captured a guerrilla outpost at Phum Kbal Krabei (Buffalo Head Village), about 14 kilometers (nine miles) north of Pailin, a division commander said Saturday.

Three government soldiers were wounded in the 30-minute firefight, and the bodies of three guerrillas were found in the village along with an as yet uncounted number of 76.2 mm mortar shells and automatic weapons.

That cache is believed to have been a major stockpile that had been used to supply a Khmer Rouge division.

Cambodia: Khmer Rouge Reports Victory on Route 10 Front

BK2901023496 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 28 Jan 96

[Report from Route 10 battlefield]

[FBIS Translated Excerpt] 1. The Route 10 front: Between 22 and 24 January, enemy operations at Phum Cheav, at the cement weir, and at Tracheak Chet creek ran over three mines and were attacked by our forces. They suffered 16 killed and 23 wounded. We seized three B-40 rockets, five canteens, seven scarves, and six hats. On 25 January, we ambushed enemy forces moving in from another front to launch operations in the western and eastern parts of (Neang Lin) hil, killing five and wounding 10 of them. We also burned a tank and seized 10 rucksacks, 10 bundles of dried rice, 10 hammocks, two AK rifles, 100 rounds of AK ammunition, two B-40's, three rounds of B-40 rockets, an APK rifle, a crate of APK ammunition, three 60-mm mortar shells, and a quantity of war materiel.

At 1800 (1100 GMT) on the same day, an enemy tank coming out to tow the tank we had burned earlier ran over our mine and was damaged.

Also on 25 January, we ambushed enemy forces coming in from another front to launch operations east of Prey Thom. We killed two of them, wounded eight, and seized 10 DK-82 shells, 200 rounds of RPK ammunition, 100 rounds of AK ammunition, five rounds of (RP) ammunition, and a quantity of war materiel.

On 24 January, we attacked enemy forces at (Spean Dek) and swept them off the areas up to Lvea Dach, killing 17 and wounding 12.

In total, on the Route 10 front, we killed 40 enemy soldiers, wounded 53 others, destroyed two tanks, and destroyed or seized a large quantity of weapons and ammunition. [Passage omitted on planting of punjis and mines in various areas]

Cambodia: Police Detain 120 People in Sam Rangsi's HQ

BK2901065596 Hong Kong AFP in English 0628 GMT 29 Jan 96

[FBIS Transcribed Text] PHNOM PENH, Jan 29 (AFP) — Heavily armed military police entered the offices of the banned opposition Khmer Nation Party (KNP) Monday and were refusing to let more than 120 people, including several journalists, leave the premises.

The military went there after accusing members of the party of taking two policemen hostage.

AFP's correspondent, who was among those detained, said the siege of the KNP offices began after the party's financial officer Kuy Bun Roeun escaped from three men who stole his car on Norodom Boulevard.

Two police who witnessed the incident later went to the party's headquarters [HQ] to make a statement about what happened, party officials said.

The party was then accused of holding the two police hostage, and the military intervened. One of the police, who originally said he had gone to the offices voluntarily, changed his story when the military arrived and said he was being detained.

Police later produced a warrant and began searching the premises. It was not immediately clear what they were looking for.

Acting KNP president Khieu Rada denied that anyone had been held hostage.

"This incident was arranged to find a motive to search the office," said Rada.

The KNP, founded in November by outspoken government critic and former finance minister Sam Rangsi was declared illegal by the government shortly after it was created but has been operating despite orders to close its main office.

Sam Rangsi is currently in Australia and New Zealand on a drive to recruit Cambodian expatriates living there to join the party.

Indonesia

INDONESIA: Irian Jaya Abductors, Hostages on Way To PNG Border

BK2901014296 Jakarta ANTARA in Indonesian 1533 GMT 29 Jan 96

[FBIS Translated Text] Jayapura, 28 Jan (ANTARA) — A faction of the security disturbance movement [GPK, which officially refers to the OPM or Free Papua Movement] led by Kelly Kwalik and Daniel Yudas Kogoya, and their 13 hostages, are believed to be on the way to the border between the Republic of Indonesia (Irian Jaya) and Papua New Guinea (PNG) via Batom Village.

This is being assumed because the GPK stopped radio contact with the Armed Forces of the Republic of Indonesia [ABRI], as agreed to earlier, on Friday (26 Friday), an ANTARA source at the Trikora 8th Military Region Command said on Sunday night.

According to the source, the GPK members and their 13 Indonesian and foreign hostages are taking a route frequently used by the GPK to cross into the neighbouring country (PNG).

The route is the Mapunduma-Oksibil-Batom route (Jayawijaya District), from where they will enter PNG's Western Province.

ABRI has stepped up patrols along the border to prevent the self- styled OPM from herding the hostages into PNG territory. ABRI has also admitted it is having difficulties in locating the GPK members and their hostages precisely due to the difficult terrain of Indonesia's easternmost province.

Infantry Lieutenant Colonel Maulud Hidayat, head of the Information Service of the Trikora 8th Military Region Command, said on a separate occasion that there had been no radio contact between the ABRI and the GPK since Friday (26 January).

Thus, the GPK members and their hostages are believed to have left Mapunduma Village, Tiom Subdistrict for PNG. However, their destination is not yet known precisely, Maulud Hidayat concluded.

INDONESIA: Troops Ordered Not To Act 'Recklessly' in Freeing Hostages

BK2801125096 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 28 Jan 96

[FBIS Translated Text] The Armed Forces of the Republic of Indonesia [ABRI] will not repeat their mistakes when they launch an operation to free the hostages. The ABRI was referring to a past incident in which soldiers killed a number of followers of Kelly Kwalik [a leader of the Free Papua Movement] as they pursued the Irian Jaya terrorists in the jungles.

Brigadier General Prabowo Subianto, commander of the Army's Special Forces, said this in reply to questions from reporters on the ABRI's efforts to free the hostages. According to Brig. Gen. Prabowo, the soldiers who have been mobilized for the operation to free the hostages have been instructed not to act recklessly during the operation.

Meanwhile, (Yupi) tribe chieftain (Alex Duwande) said the (Yupi) tribesmen are determined to help the ABRI free the hostages being held by the security disturbance movement [GPK] if the GPK passes through (Yupi) village with the hostages. (Yupi) village is the nearest village to Mapunduma village, about 18 km from the GPK site.

INDONESIA: 'Special Force' To Prevent Kidnappers' Escape

BK2801081496 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 28 Jan 96

[FBIS Translated Excerpt] The Armed Forces of the Republic of Indonesia have readied a special force to prevent the security disturbance movement [GPK] from escaping from Mapunduma village, Jayawijaya, Irian Jaya, with their 13 hostages. Here is RRI Jayapura reporter Ismail Syafei on the latest developments in the hostage drama in the hinterlands:

[Begin Syafei recording] The security apparatus of the Republic of Indonesia in Wamena has put its troops on alert, and a multitiered blockade has been instituted to anticipate a possible attempt by GPK leader Kelly Kwalik to move out of Mapunduma village using the 13 hostages as human shields. [passage omitted]

Meanwhile, GPK leader (Mathius Lemba) will hand over Basyir and Marwiyah, two Arso Senior High School students he kidnapped, to the Papua New Guinea Government today, 28 January. (Suseno Thayeb), vice consul of the Republic of Indonesia in Vanimo, confirmed this via telephone last night. When and where they will be handed over are not yet known.

This is Ismail Syafei reporting from Jayapura. [end recording]

INDONESIA: Further on Irian Jaya Hostage Situation

BK2701120096 Hong Kong AFP in English 1151 GMT 27 Jan 96

[FBIS Transcribed Text] Jakarta, Jan 27 (AFP) — The Indonesian military took steps Saturday to block the possible getaway of rebels who are holding 13 hostages in Irian Jaya province, military officials said Saturday.

"We suspect that (rebel leader Kelly) Kwalik will take the hostages out of Mapnduma, so the military is ready to provide teams that could follow the rebels' moves," said Brigadier General Prabowo Subianto, commander of special forces, in Wamena, Irian Jaya, quoted by the official Antara news agency.

Wamena military commander Lieutenant Colonel Sumerta Ayub told AFP Saturday that while the military still did not know which direction the rebels have moved towards, "if they did move at all, it's possible they may have moved towards the Papua New Guinea (PNG) border."

Ayub added, however, that the rebels would have difficulty moving easily with the hostages, "especially since we've heard that two of the hostages are very weak right now," without specifying which hostages.

Diplomats questioned whether the rebels could take the kidnappers out of the mountainous and jungle-clad Mapnduma area, which has no roads.

The rebels, who have been fighting for an independent state since the former Dutch colony of Western Papua was incorporated into Indonesia in 1964, took 26 hostages on January 8 and have since released 13. Among the remaining 13 are four Britons and two Dutch nationals.

Prabowo also said the rebels have ceased radio communication with authorities during the past two days, ending two weeks of daily radio contact, a move he termed "disappointing."

A European diplomat here, who declined to be identified, told AFP Saturday that the exact site of the rebels and the hostages is "purely speculative," dismissing the theory the kidnappers may be moving towards the PNG border.

The Mapnduma area is about 360 kilometres (225 miles) from the border, across roadless jungle and mountains over 4,000 metres (13,200 feet) high.

"I don't think anybody knows exactly where they are at this point," the source said.

Another anonymous source close to the negotiations said the military was trying to locate the rebels through contact with local people, adding that the possibility of the kidnappers going to the Papua New Guinea border was "totally unrealistic."

Brigadier General Zacky Makarim, a military intelligence officer, was quoted Saturday by Antara as saying the military intended to continue negotiating with the rebels and that "a military operation would be the last, I repeat, the last option."

But he said rebel leader Kwalik told Irian Jaya's Catholic Bishop Herman Munninghoff on Thursday that he would not release the hostages and would continue using them as shields.

Prabowo said Munninghoff and other church officials, who have been mediating between authorities and the rebels, have "run out of ways" to persuade the kidnappers to release the hostages.

Munninghoff told the press Saturday from Jayapura that "Kwalik was still thinking about a peaceful solution, but he was also still fanatical about achieving the goal of a free West Papua."

The hostages were working on a scientific expedition organised by the Worldwide Fund for Nature.

The Europeans being held are Britons Daniel Start, 21, William Oates, 22, Annette van der Kolk, 21 and Anna McIvor, 20, along with Worldwide Fund for Nature official Mark Van Der Wal and UNESCO environment official Martha Klein, both of the Netherlands.

INDONESIA: Military Preparing To Blockade Kidnappers in Village

BK2701083096 Jakarta ANTARA in Indonesian 0734 GMT 27 Jan 96

[FBIS Translated Excerpt] Wamena, 27 Jan (ANTARA) — ABRI [Armed Forces of the Republic of Indonesia] personnel are preparing to impose a blockade on Mapenduma village to prevent the abductors led by Kelly Kwalik, leader of the Irian Jaya GPK [security disturbance movement], from leaving the village along with the hostages, whom they will use as human shields.

"We believe Kwalik will try to take the hostages out of Mapenduma, so ABRI is preparing a team to follow their movements constantly," said Brigadier General Prabowo Subianto, commander of the ABRI Special Forces, in Wamena on Saturday afternoon.

He said preparations are being made in view of the fact that Kwalik has refused to make radio contact as previously agreed. This has disrupted the negotiation process to free the hostages.

ABRI officials openly admitted the deadlock after Jayapura Bishop Herman Munninghoff and Pastor Andrean van der Bijl failed to persuade the Irian Jaya terrorists to free the 13 remaining hostages, six of whom are foreigners, after the two men visited Mapenduma on Thursday.

"Frankly, I am disappointed, because the GPK has not made radio contact since yesterday," said Brig. Gen.

Prabowo, who looked tense but still tried to smile at a press conference attended by Indonesian and foreign correspondents who are covering the hostage-taking drama.

The two sides earlier reached an agreement to make radio contact three times a day — at 0900, 1200, and 1800 Eastern Indonesian Time. Since the arrival of Kelly Kwalik in Mapenduma to replace Daniel Yudas Kogoya as leader of the abductors, there has been no radio contact at all.

Cowardly Act [subhead]

Meanwhile, Brig. Gen. Zacky A. Karim, director of A Division of the BIA [Army Intelligence Agency], described the GPK's plan to move out of Mapenduma with the hostages, including a pregnant woman, as a cowardly act.

"These people are indeed cowards because of what they are doing to the hostages, including a pregnant woman," he said. [passage omitted]

INDONESIA: General Views Possible Steps To Resolve Hostage Crisis

BK2701090296 Jakarta ANTARA in Indonesian 1454 GMT 26 Jan 96

[FBIS Translated Text] Jakarta, 26 Jan (ANTARA) — Brigadier General Suwarno Adiwijoyo, chief of the ABRI [Armed Forces of the Republic of Indonesia] Information Service, says ABRI Commander Gen. Feisal Tanjung has not set a deadline for the settlement of the hostage-taking incident in Mapenduma village, Irian Jaya, but "the sooner the better."

Speaking to reporters in Jakarta on Friday, Suwarno said a deadline has not been set due to the continued foggy and rainy weather in the area. This may affect the hostages' health.

The ABRI commander has authorized Major Gen. Dunija, commander of the Trikora Eighth Regional Military Command, to use any method or deadline to solve the crisis.

"Freeing the hostages all depends on Maj. Gen. Dunija, in his capacity as chief of the Operation Command — as to when and how the crisis should be solved — but the sooner the better," Suwarno quoted the ABRI commander as saying.

The outcome of talks between Maj. Gen. Dunija and Brig. Gen. Prabowo Subianto, commander of the ABRI Special Forces, in Wamena on Friday is still unknown.

Suwarno was speaking to the media after Abu Hasan Sazili, vice chairman of parliament's Commission I [Roman numeral one — in charge of foreign affairs and defense] and Lieutenant General Suyono, chief of ABRI General Staff, gave their support for a military operation to free the hostages.

"Views on freeing the hostages submitted by other groups are also being considered by the Operation Command. I am sure Maj. Gen. Dunija has the best method to solve this problem," said Suwarno.

INDONESIA: Military Kills Six Insurgents in East Timor 25-26 Jan

BK2801080696 Jakarta ANTARA in Indonesian 1820 GMT 27 Jan 96

[FBIS Translated Text] Dili, 27 Jan (ANTARA) — Two joint teams of the Armed Forces of the Republic of Indonesia [ABRI] on duty in Atsabe in Ermera District and Dilor in Viqueque District in East Timor ambushed and shot to death six members of the security disturbance movement [GPK] and captured another GPK member and a member of a clandestine group on 25 and 26 January 1996.

A joint ABRI team also seized two M-16A1 submachine guns, a [words indistinct] gun, an air rifle, two M-16A1 magazines, and an SP-1 magazine in a raid operation in Atsabe, Ermera District, Captain (Reservist) L. Joko Purwadi, head of the Information Service of the 164/Wiradharma Military Area Command of East Timor, told ANTARA in Dili on Saturday evening. Joko Purwadi quoted Infantry Colonel Mahidin Simbolon, commander of the 164/Wiradharma Military Area Command, as saying that Second Sergeant Mukadi led the joint ABRI team in the raid in Atsabe, Ermera District at about 0430 Central Indonesian Standard Time on 25 January. During a shootout, the joint ABRI team shot and killed a GPK member, Kristofa, alias Araca Bia, and captured another GPK member, Martinho, alias Aranluli, and a member of a clandestine group. "The member of the clandestine group was returned to his family following indoctrination by the security forces," he added.

Meanwhile, Infantry Captain Eko S. led a raid involving 20 members of a joint ABRI team in Dilor, Viqueque, on 26 January 1996. During the raid, the joint team ambushed about seven GPK members armed with four different weapons. The joint ABRI team killed five GPK members and seized two M-16A1 submachine guns, an SP-1 gun, an air rifle, two M-16A1 magazines, and an SP-1 magazine during the raid, which began at 0645 Central Indonesian Standard Time. The five dead GPK members, who had frequently created trouble and caused uneasiness among residents of Dilor, Viqueque District, were identified as Serlau, Mau Sino, Bento Calma (political assistant), Jose Pendek, and Robido Onok.

"None of the members of the joint ABRI teams was killed or injured in the raids; all [words indistinct]," Joko Purwadi said.

Philippines

Philippines: Ramos Condemns French Nuclear Test

BK2801082196 Hong Kong AFP in English 0748 GMT 28 Jan 96

[FBIS Transcribed Text] Manila, Jan 28 (AFP) — Philippine President Fidel Ramos on Sunday condemned France's sixth nuclear test in the current series and called on France to desist from any more tests.

The Ramos statement, which was released to the press, said that test in the South Pacific came in the face of the international community's appeals to France to stop the tests.

It also pointed out that all 10 Southeast Asian nations have just signed an agreement creating a nuclear-weapons-free zone in the region.

But Ramos also cited other countries, saying "sadly the encouraging progress that has been achieved in non-proliferation is undermined by the continued testing of nuclear weapons by France and China."

Ramos also called on "the nuclear weapon states to conclude as early as possible, this year, the Comprehensive Test-Ban Treaty."

Philippines: Ramos Downplays Clash With Suspected PRC Vessels

BK2701091096 Hong Kong AFP in English 0900 GMT 27 Jan 96

[FBIS Transcribed Text] Manila, Jan 27 (AFP) — President Fidel Ramos on Saturday downplayed the significance of a sea clash involving a patrol boat and two unidentified vessels, saying it seemed to be an incident involving pirates or smugglers.

Despite suspicions that the two intruding vessels came from China, Ramos ruled out any diplomatic protest, saying a full investigation must be conducted first.

Ramos said the incident "was most likely a smuggling or a pirate kind of an operation on the part of the mysterious ships."

A Navy gunboat on Monday encountered two unidentified vessels just off the coast of the main Philippine island of Luzon. The Navy boat pursued them, exchanging gunfire with at least one of the boats before they escaped.

The military originally said the two intruders were flying the Chinese flag but later admitted they saw only an unidentified red flag and that they could not say where the two ships originated.

"It is possible that those intruding in Philippine waters are moonlighters and it is not extreme and no real cause for alarm," said Philippine military chief, General Arturo Enrile, in an interview on radio station DZRH.

"It is not serious but the higher officials are discussing this to find out what really happened," he said.

Philippines: Navy Chief on PRC Vessels Involved in Clash

BK2801100596 Hong Kong AFP in English 0407 GMT 28 Jan 96

[FBIS Transcribed Text] Manila, Jan 28 (AFP) — Former Chinese naval vessels, possibly converted for other uses, are believed to have taken part in a maritime gunfight with a Philippine Navy patrol craft last week, the Navy chief here was quoted saying Sunday.

Vice Admiral Pio Carranza was quoted in local dailies as saying that one of the two intruding vessels was a "Hego class (or) Wang Fen class" fast attack boat, made in China.

"Judging by the configuration (of the vessel) when we matched it with our files, that is our suspicion," the newspapers quoted him as saying.

However, he added that the weapons mounts of the vessel were gone indicating that it had been converted to civilian use.

A Philippines Navy gunboat encountered two unidentified vessels just off the coast of the main Philippine island of Luzon on Monday and pursued them, exchanging gunfire with at least one of the boats.

The military originally said the two intruders were flying the Chinese flag but officials later admitted they saw only an unidentified red flag and that the incident was likely an encounter with smugglers or pirates.

Carranza also confirmed that the Philippine gunboat suffered three bullet holes, probably from AK-47 type rifles, during the exchange of fire.

The Navy says that in the past, it has caught Chinese boats, suspected to be engaged in smuggling, [words indistinct].

Although the government is minimizing the impact of the incident, it has further raised fears that China may be expanding its presence in the South China Sea.

Philippines: AFP Rules Out PRC Involvement in Naval Skirmish

BK2901050196 Manila BUSINESS WORLD in English 29 Jan 96

[Report by Sandra S. Aguinaldo — received via Internet]

[FBIS Transcribed Text] The Armed Forces of the Philippines (AFP) has cleared the Chinese Government of involvement in the January 22 intrusion of two foreign vessels near Capones Island in Zambales.

Philippine Navy (PN) chief and newly promoted AFP Vice Chief of Staff Vice Admiral Pio Carranza said a military assessment found that the vessels, which were located 20 kilometers off Capones Island or 112 kilometers west of Manila, do not belong to the Chinese Navy and that it remains unsure if the flag carried by one was that of China.

"They were not under the PROC (People's Republic of China) government or the military," Mr. Carranza said.

Last January 22, the Philippine Navy patrol boat PG-138 chased the foreign ships after they were seen inside Philippine territorial waters near Subic Bay. Military reports earlier said one of the vessels carried "a red star flag" while the other had the bow number 04420.

The vessel with the flag sped away after PG-138 fired a warning shot but the other reportedly tried to ram the 78-foot PN ship. The Navy ship was also fired upon by one of the foreign vessels.

Reports from the Joint Operations Center in Camp Aguinaldo also identified one of the boats as "a PROC vessel with bow number 04420".

The Navy chief confirmed that one of the vessels was classified as HEGO-type, a Chinese-made fast attack craft but said it looked old and could have been used for civilian purposes.

He also said he has questioned the navy vessel's captain about the incident and it turned out the officer was not sure the vessel was flying a Chinese flag.

"All he said was he saw a red flag with a star. For now, we can't conclude that it was a Chinese flag. Besides, the crewmen of the vessels could have been impostors," he argued.

AFP Chief of Staff Gen. Arturo Enrile said he has ordered an investigation. So far, officials have pointed their fingers at pirates, fishermen, and smugglers in an effort to prevent possible diplomatic tension between Manila and Beijing.

Questions have been raised as to why the incident was kept secret by the military. Both Messrs. Carranza and Enrile admitted the AFP tried to keep the matter from the media because it might have an adverse impact on the country's diplomatic ties with China, especially in the light of the Spratly Islands dispute.

Senator Ernesto Maceda said Foreign Affairs Secretary Domingo Siazon and Defense Secretary Renato de Villa should be made to explain why there was an effort to keep the information from the public.

Mr. Carranza said he has submitted the result of the initial investigation to intelligence agencies, including the military intelligence and the Department of Foreign Affairs.

"It is up to them what action they will take," he said. He refused to give details of the report.

Several Navy ships from Mindanao are now on their way to Zambales to reinforce the three patrol boats in the area. The Navy has also increased patrol operations through gun boats and Air Force planes.

Outgoing vice chief of staff Lt. Gen. Alfredo Filler said there have been numerous reports of piracy and smuggling in the area due to the frequency of foreign and local ships entering Subic Bay.

As this developed, Sen. Orlando Mercado, chairman of the Senate committee on defense, proposed the drafting of an antismuggling and piracy agreement with China as the AFP has admitted that it was not the first time that unauthorized foreign vessels were seen in Subic Bay. Military officials also said the intruders were mostly Chinese.

Mr. Carranza said he will study the proposal even as he asked the Congress to pass a law on illegal entry. He said current laws are not enough as arrested foreigners end up being released.

Philippines: Siazon Calls Intruders 'Pirate Ships'

BK2901110096 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0945 GMT 29 Jan 96

[FBIS Translated Text] It is still uncertain whether the vessels pursued by the Philippine Navy near Capones Island in Zambales were Chinese vessels. This was the statement made by Foreign Affairs Secretary Domingo Siazon during a hearing on the issue by the Senate Committee on Foreign Relations. Siazon stressed that the Navy encountered pirate ships, but is unsure if those on board were Chinese.

[Hong Kong AFP in English at 1032 GMT on 29 January in a similar report adds: "A skirmish between a Navy gunboat and an unidentified foreign vessel in Philippine coastal waters in the South China Sea last week was the ninth 'incident' in the area in the past 17 months, Foreign Secretary Domingo Siazon said Monday."

[AFP adds: "'Since August 1994, according to a briefing of the Philippine Navy, there have been nine incidents,' Siazon told reporters. He said the Subic Bay Metropolitan Authority, which now administers the free port, reported 10 incidents in its environs in the second-half of 1995. Siazon said these incidents included 'boardings, ship seizures, and robberies,' adding that Chinese- and Taiwanese-flagged vessels had also been victimized."

[The agency continues: "'It's piracy. It's police work. The solution there is to make sure our Navy will be fully equipped to deal with this,' Siazon said."

[AFP adds: "'We should upgrade the navy in three years, not 15 years, and the same goes for the air force,' Siazon said."]

Meanwhile, Senator Ernesto Maceda doubts the credibility of the report. Maceda said the report may have been concocted so the budget for modernizing military equipment will be approved immediately.

Philippines: Officials Cautious About Antiterrorism Law

BK2401051196 Quezon City Radio Filipinas in English 0230 GMT 24 Jan 96

[FBIS Transcribed Text] Top government anticrime and defense officials raised the need to have in place an antiterrorism law to help combat the rising tide of violence arising from international terrorism. Joseph Estrada, vice president and PACC [Presidential Anticrime Commission] chief, (voiced) his support (for) the need [word indistinct] to put in place such measures but says this should include stringent safety provisions in them. For his part, Defense Secretary Renato De Villa said that without such safety provisions, the proposed law might be used for purposes other than what it is meant for.

Philippines: Editorial Urges Defeat of Antiterrorism Bill

BK2501132496 Manila PHILIPPINE DAILY INQUIRER in English 23 Jan 96 p 8

[Editorial: "Old Tricks"]

[FBIS Transcribed Text] People were heartened when the government announced last month the arrests of a total of 35 suspected terrorists. They thought that with the arrests, they could worry less about the threat of terrorist attacks in their towns and cities.

It appears now that the government had no solid evidence against some of the suspects and that it planted evidence against some of them. Four of the suspected terrorists have been released for lack of evidence.

One of the suspected terrorists, Abdul Kareem Bidawi, said police planted evidence in three envelopes during a lightning raid on his office. Two Saudi Arabians and one Sudanese who happened to drop in on Bidawi at his recruitment agency were also arrested. Jameel Jalud, Bidawi's nephew who is a United Nations refugee, was likewise arrested. He said that he was handcuffed and taken to his unit at Legaspi Towers where he saw a box of explosives supposedly found by the policemen in his room.

The other day, two Pakistanis said in sworn statements submitted to the Commission on Human Rights that they were tortured while being questioned by the police. Raza Hashmi and Mohammed Aslam said policemen covered their faces with plastic bags and punched and kicked them in the groin. Aslam said the police planted a grenade in his house.

The truth may be determined in the trial of the cases against the suspects. But on the face of it, the stories told by some of the suspects would seem to indicate that the police are still at their old tricks, planting evidence and torturing suspects to make them "confess." These they have done against people whom they considered suspects simply because they are Muslims or because they come from the Middle East or Pakistan or have thick mustaches or beards or both (preferably both).

If the police have done these against foreign suspects, and without benefit of a new antiterrorism law, surely they can do the same — and worse — against their own countrymen. Making use of the provisions of the bill on warrantless arrests, extended detention period, wiretapping and inquiries into bank accounts, the police can throw hundreds, if not thousands, of people into detention cells on suspicion of terrorism. They did it during the martial law regime, they're doing it now, and they can do worse after the antiterrorism bill is enacted into law.

Now that we know that the antiterrorism bill will be passed in the House, it is reassuring to note that its approval will be blocked in the Senate. At last count, 14 senators were reported to be set to vote against it. Again, the Senate may yet prove to be the last line of defense against onslaughts on human rights and civil liberties. The Senate took a determined, courageous stand in 1991 against the extension of the RP [Republic of the Philippines]-US Bases Agreement. Now it can take a firm stand against the antiterrorism bill and prove itself a bulwark against those who would violate the people's rights and liberties.

Thailand

THAILAND: Cambodians Flee Fighting, Cross Border

BK2901151196 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 29 Jan 96

[FBIS Translated Text] Fighting inside Cambodia between government forces and the Khmer Rouge forced a large number of Cambodian civilians to seek shelter inside Thailand. A Thai patrol unit encountered about 100 Cambodian villagers on the Siphen road opposite Nong Ya Kaeo housing estate in Tambon Khok Sung, Ta Phraya District, Sa Kaeo Province. The group — mostly women and children — were detained and will be sent back to Cambodia. The people said they were afraid of the fighting. They had been hearing the noise of bombs and machine-gun fire all the time and believed there had been a major assault by the Khmer Rouge.

The border area in Aranyaprathet District, Sa Kaeo Province was earlier hit by mortar shells from Cambodia. Thai border dwellers were reportedly injured. The commander of the Burapha Task Force visited the area today and supervised the building of bunkers for the people.

There was a report that fighting between the Cambodian Government and Khmer Rouge forces raged on this morning. Major clashes were reported. The Cambodian Government forces pounded the Khmer Rouge position at An Ma Pass with more than 51 artillery shells as well as machine-gun fire. Cambodian soldiers tried to advance to seize An Ma Pass, but met with strong resistance from Khmer Rouge using RPG rockets and machine guns. The Khmer Rouge also resorted to ambushes using guerrilla tactics. Some rocket shells landed in Thai territory. A member of the Suranari Unit's Army-trained Rangers was injured. His name is Samon Chathaket.

THAILAND: Burma Asked To Restrict Opium Production, Export

BK2401082596 Bangkok BUSINESS DAY in English 24 Jan 96 p 4

[Editorial: "Myanmar Must Seize Chance To Squeeze Drugs Supply"]

[FBIS Transcribed Text] The surrender late last week of Khun Sa's Mong Tai Army to the Myanmar [Burma] state forces under Lieutenant General Maung Thint in a formal ceremony in Ho Mong is a positive development in the sense that the Golden Triangle's protracted warfare has come to an end — at least temporarily. The Myanmar authorities appear to be taking a magnanimous and conciliatory stance towards the vanquished. The government's own English language newspaper, the NEW LIGHT OF MYANMAR, stated in an editorial that the soldiers of the Mong Tai Army are "brethren" who "deserved the right of choice of forsaking what was wrong and taking up what was right".

To make the development more meaningful Myanmar must now concentrate on finding a way to tackle the larger issue of how to contain or at least restrain the production and export of opium and its derivatives from the Golden Triangle.

U.S. authorities estimate that Khun Sa and his forces controlled about half of the heroin produced in the Golden Triangle, and so a reasonable question to ask is whether or not there will be any significant reduction in the flow of the drug from the area now that Khun Sa and his troops have surrendered.

Myanmar's State Law and Order Restoration Council (SLORC) has a clear opportunity to demonstrate to the world its commitment towards fighting the scourge of illegal drugs by taking steps to ensure that opium production in the area is substantially reduced.

Thus, Khun Sa's surrender should not be taken merely as bringing a former enemy into the fold, and of ending armed conflict in the region, but more importantly as a first step in effectively curtailing the obscene trade in drugs.

It is an open secret that Khun Sa's influence, financially and otherwise, is immense not only in the Golden Triangle and throughout the region. His low-profile network of business associates spans the globe, and the financial assets he commands probably rival those of many of the world's largest corporations.

What will now become of this global network, and will Khun Sa maintain control over it?

Myanmar officials recently stated that one of the reasons they would not consider turning Khun Sa over to U.S. authorities is because doing so would be futile as there are many other would-be Khun Sa's waiting in the wings and ready to fill the power vacuum, if indeed there is one to fill.

The question then turns to the issue of the extent to which these Khun Sa understudies have already jumped onto the stage, and if or when they have, will SLORC be willing to put them out of the drug trade business for good?

We can only hope for this scenario in the North and trust that while Myanmar authorities are doing what they can to reduce the supply the countries where the demand mostly originates will also do their share to solve the problem. Only when both demand and supply are brought under control will lasting solutions emerge.

THAILAND: Burmese Junta Tries To Intimidate Elderly Group

BK2401074596 Bangkok THE NATION in English 24 Jan 96 p A2

[Report by Yindi Loetcharoenchok: "Burmese Junta Intimidates Suu Kyi's Sympathizers"]

[FBIS Transcribed Text] The Burmese junta has tried to intimidate a group of 23 political and military contemporaries of Ne Win who jointly signed a letter dated Nov. 24 calling for a dialogue between the military rulers and pro-democracy leader Aung San Suu Kyi.

Two days after the letter was sent out, the elderly group was summoned for a meeting with four Burmese Government officials — Lt Col [Lieutenant Colonel] Tin Hlaing, Deputy Minister for Home Affairs; Col Kyaw Win, deputy director of the Burmese Military Intelligence; U Soe Win, chief director for the People's Police Force; and Col Ba Hein from the Criminal Investigation Department.

At the meeting, Tin Hlaing repeatedly accused the group of having been influenced by the West, especially the United States, and told them that the ruling State Law and Order Restoration Council (SLORC) would not tolerate "stooges" meddling in state affairs.

A Western observer in Rangoon said that there was some speculation in the Burmese capital that the summons was inspired by former Burmese strongman Gen [General] Ne Win who "was shocked to learn that his veteran friends" had come up with the dialogue proposal.

The observer said Ne Win was also concerned that SLORC leaders had not been providing him with full briefings on the country's overall political picture.

The political and military veterans subjected to the official reprimand included Bohmu Aung, who along with Ne Win, formed the Japanese-trained "30 Comrades" group that later fought the war of liberation against the Japanese invaders.

The others included Thakin Chit Maung and Thakin Lwin, both of whom were elected MP's during the U Nu government, and U Tha Ban, who was a central committee member of Ne Win's Burma Socialist Programme Party.

The observer said since the incident, Ne Win had come out of self-imposed semiretirement and started holding meetings "on the fourth Saturday of the month with a small group of six to seven of his contemporaries".

The first meeting took place on Dec 30 and the next was scheduled for Jan 27, he said, adding that Ne Win was still in good health but with a "little hearing problem."

During the meeting with the four SLORC officials, the veterans were told that their demands in the letter were identical to those of the United States, according to a transcript of the meeting released by the All Burma Student's Democratic Front (ABSDF).

Tin Hlaing said the SLORC knew that many other embassies, apart from the American diplomatic mission, "are interfering in our affairs", making daily visits to Suu Kyi and "giving her instructions". "Her husband [Oxford don Dr Michael Aris] is also instigating the situation from abroad," he added.

Tin Hlaing accused Suu Kyi's National League for Democracy [NLD] of using the old veterans, and stated that the SLORC wanted the elderly "to remain neutral" and let the state provide whatever they needed.

"All of you are old. We would like you to live peacefully. We are ready to take care of you on social and humanitarian grounds. We believe that the NLD is using you. We want you to stay out if the political situation becomes more violent. We want you to remain neutral," he said.

Bohmu Aung has since rejected the accusation that members of the group were "anybody's stooges" and said they sent the letter with "sincere belief and goodwill" and that they were "just doing what should be done for the restoration of peace and prosperity of the country because we want to see these things happen before we pass away."

Thai Official on Regional Intellectual Property Cooperation

BK2401130796 Bangkok PHUCHATKAN in Thai 24 Jan 96 p 5

[Report by "Indochina Center"]

[FBIS Translated Text] Wirawit Wiraworawit, director of the Technical and Planning Division of the Intellectual Property Department, told PHUCHAKAN that Thailand will sign memorandums of understanding with Burma and Cambodia this year on cooperation in intellectual property protection.

Thailand is the country that initiated the promotion of intellectual property cooperation among the riparian countries of the Mekong River. It signed memorandums of understanding on industrial property (patents and trademarks) cooperation with Vietnam and the Lao People's Democratic Republic in April and August 1994, respectively. Thailand later signed memorandums of understanding on patent and trademark protection in April and copyright protection in December 1995. At present, Thailand has signed five memorandums of understanding on intellectual property cooperation with Vietnam, Laos, and China.

Thai delegations have been sent to Burma and Cambodia for negotiations on this issue. Cambodia is now having the World Intellectual Property Organization draft its intellectual property law. Wirawat said Thailand will hold official negotiations with Burma soon because the country is also a riparian state of the Mekong River and will become an ASEAN member in the near future.

Wirawit said: "The six countries are expected to draw up an intellectual property cooperation master plan linked to ASEAN's so as to increase the power of the region."

Just as the Mekong River's riparian countries are working on a cooperation scheme, leaders of the seven ASEAN member countries signed a "master plan for intellectual property cooperation" during the ASEAN summit in Bangkok late last year.

A Commerce Ministry source told PHUCHATKAN that the ASEAN senior officials agreed during their meeting in Jakarta early this month to authorize Thailand to work out an action plan for the intellectual property cooperation master plan.

Wirawit disclosed that the action plan has been finalized and will be sent the to ASEAN member countries for consideration and changes before the meeting in Chiang Mai Province in March. During that meeting several issues will be brought up for discussion, including protection for audio cassettes in the ASEAN region.

Wirawit revealed that the ASEAN countries are still in the process of selecting a site for the construction of the head office of the ASEAN Intellectual Property Bureau. It should be set up in no more than six months. In addition to the protection of intellectual property, the setting up of the ASEAN Intellectual Property Bureau will attract more foreign investment to ASEAN.

Wirawit pointed out that intellectual property cooperation between the Mekong River riparian states and ASEAN will increase their strength in dealing with their developed trade partners.

Wirawit said: "Developing countries in this region now understand the problem of intellectual property. Western nations can no long use this issue to threaten them. All countries in the world must recognize the significance of the issue and be able to benefit from it."

Vietnam

SRV: 'Positive Developments' in Border Talks With PRC

BK2701152896 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 27 Jan 96

[FBIS Translated Text] According to the agreement reached by the two sides, the seventh meeting of the SRV-PRC joint working group on the territorial border was held in Hanoi 22-27 January in an atmosphere of friendship, directness, and mutual understanding. The meeting achieved some positive developments. The two sides unanimously agreed that the eighth meeting will be held in Beijing in April.

The two sides signed a work report on 26 January. The same day, Vu Khoan, head of the SRV Government delegation and deputy foreign minister, cordially received all the members of the joint working group. Tran Cong Duc, head of the Vietnamese Government Border Committee, and Li Jia Zhong, PRC ambassador extraordinary and plenipotentiary, also attended the reception.

SRV: PetroVietnam Signs Contracts With Foreign Firms

BK2101144496 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Jan 96

[FBIS Translated Text] To date, PetroVietnam has signed 29 product-sharing contracts with foreign oil companies to carry out exploration and exploitation of oil and gas at more than 40 lots in the coastal and offshore areas of Vietnam with a total investment capital of more than 1.5 billion dong [currency as heard]

Many companies have found oil and gas at various lots and wells. The proportion of companies that strike oil and gas in Vietnam's continental shelf is more than 20 percent, a relatively high percentage in the world.

While foreign companies spent $130 million for oil and gas exploration activities in 1991, their expenses increased to $600 million in 1995.

SRV: Do Muoi Praises Role of Youths in National Causes

BK2001143096 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Jan 96

[Speech by Do Muoi, general secretary of the Communist Party of Vietnam, at a conference held by the Central Committee of Ho Chi Minh Communist Youth Union, Central Committee of Federation of Vietnamese

Young Associations, and Secretariat of Vietnamese Student Association in Hanoi on 15-18 January — read by announcer]

[FBIS Translated Text] This conference holds important meaning for our young generations as our country faces profound and prominent changes in the following issues:

First, the entire party is earnestly organizing party congresses at all levels to prepare for the eighth national party congress. In order to contribute to the success of party congresses at all levels and to the national party congress, you comrades should concentrate on studying and contributing views to the draft political report — which will be presented at the eighth national party congress — and outline appropriate action plans to motivate the youth union members, our young people, and the students in the entire country. Motivate them to enthusiastically offer suggestions and proposals, to make reports. Have the decisions of party congresses at all levels carry practical contents and correctly reflect the aspiration of the entire people so that the party congresses can be a festive day for all people.

At the same time, we should prepare programs and plans to organize, mobilize, and motivate young people to develop inventions, suggest solutions, and work with the people to implement party resolutions after the national congress.

To actively contribute to building the party and to make the party clean and strong, you comrades need to motivate the young people to strive and learn before introducing outstanding young people to the party. At the same time, we must introduce young party members with good morality and skills to party committees from the central to grassroots levels in the upcoming party congresses so that the party can improve its fighting power and train its succeeding generation for the future.

Second, the mid-term national party conference outlined policies to transform all of our activities to a new development period, the period for the acceleration of national industrialization and modernization in just one step. The seventh plenum of the seventh party Central Committee concretized these policies. The eighth national congress of our party will reaffirm the acceleration of national industrialization and modernization, including the industrialization of rural areas and agriculture. That is the way to reach the goal of our revolution.

Young people have always been the assault and leading force in the resistance for national salvation as well as in the national construction and protection. From now on, young people will continue to be the assault and leading force in the undertaking of national industrialization and modernization.

In every revolutionary stage, our party always places its trust and love in the young generation as Uncle Ho said: Young people are the future owners of our nation, the prosperity, the poverty, the strength, and the weakness of a nation depend on young people. Various generations of our young people, since the birth of the party and the youth union, have always offered their sacrifices, deserving our trust and love.

Entering the new period, young people will have a very important role. They are the abundant contingent of moral and skillful people. They are able to carry out the undertaking of national industrialization and modernization. Everyone is placing their trust in the present young generation and the incessant efforts to move forward in all fields by millions of youth union members, association members, young people, and teenager in all national regions.

I want to stress that industrialization and modernization are precious opportunities for our youth union members and young people to train, serve, and quickly mature. This is also a favorable environment for young people to strive and create the great cause for the common interest of the nation and each member of the national community, including themselves.

Therefore, more than ever, our young people must profoundly realize their historic role and responsibility. Only on the basis of patriotism, the love for people, commitment to the revolutionary idealism, the increase in the level of education and skills, brilliant morality, and healthy lifestyle, can every youth union member, association member, and young person accomplish his glorious and formidable duties toward the fatherland and the nation.

I heartily welcome students who have enthusiastically joined voluntary labor groups, overcome difficulties, and resolutely offered to make our country prosper and to make it beautiful, especially in isolated and high regions, areas inhabited by ethnic people, and former revolutionary bases. Together with the fostering of aspirations and willpower in young people, the youth union and the association need to motivate, organize, and direct youth union members and association members to actions such as generating more jobs; working diligently; enthusiastically gearing toward inventions, technical improvements, and production rationalization; improving production, quality, and efficiency; mastering their professions; learning foreign languages, science, and technology for practical application; actively participate in national protection, eliminating starvation, and reducing poverty; fighting against corruption, waste, and bureaucracy; and limiting and preventing social evils, beginning with the young people.

Only through these practical tasks, can the aspirations of young people become a reality. Youth union members and young people will mature quickly. In order to accomplish this in the new period, I hope that the organizations of youth unions and associations will actively revamp their work and methods to better motivate the young people. All party committees and authorities at all levels need to pay attention and introduce concrete programs and plans to create favorable conditions for organizations of young people to fulfill their duties and help the youth union to train and foster a new young generation to meet increasing demand on the renovation, undertaking of national construction and protection, and national industrialization and modernization.

SRV: Do Muoi Urges Speeding Up of Industrialization

BK2001152796 Hanoi Voice of Vietnam in English 1000 GMT 19 Nov 96

[FBIS Transcribed Text] Party General Secretary Do Muoi said the economic situation in rural Vietnam has improved. He said the annual income per capita in many areas has reached up to $300.

The party general secretary made the comment after visiting provincial areas in both North and South Vietnam. But the party leader said it is still necessary to speed up industrialization while consolidating production. He also affirmed the need to provide jobs and a lot of land to farmers.

SRV: Do Muoi Inspects Party Congress Preparations in Hanoi

BK2201031096 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Jan 96

[Report by Quang Huong]

[FBIS Translated Excerpt] Dear friends, recently, Comrade General Secretary Do Muoi conducted an inspection tour of Gia Lam and Dong Da Districts in Hanoi to assess preparations for local party organization congresses. Comrade secretaries of the Gia Lam and Dong Da District party committees briefed the comrade general secretary on the basic contents of draft reports to be submitted to upcoming local party organization congresses. Also accompanying the comrade general secretary were Comrades Pham The Duyet and Le Xuan Tung, secretary and deputy secretary of the Hanoi City party committee respectively, and comrade secretaries and chairmen of 10 district party committees and people's committees. [passage omitted]

In expressing his views at a number of working sessions, Comrade General Secretary Do Muoi emphatically pointed out that the upcoming Eighth Party Congress would focus on measures to accelerate the national industrialization and modernization program designed to build material and technological bases for socialism in our country. To achieve this goal, participants in district level party organization congresses must set forth practical tasks for relevant sectors to carry out the socioeconomic development plan for the next five years, centering around the theme of industrialization and modernization. The rationale is that it is impossible to achieve rapid and sustainable economic growth without industrialization. Therefore, it is necessary to renovate and consolidate production relations, pay attention to the state economy and the cooperative- based economy, and attach equal importance to industry, agriculture, and services, thereby creating the groundwork for consolidating the politicoeconomic alliance between industry and agriculture and between urban and rural areas. [passage omitted]

SRV: Tran Duc Luong on Operation of State Corporations

BK2001093596 Hanoi VNA in English 1445 GMT 19 Jan 96

[FBIS Transcribed Text] Hanoi VNA Jan. 19 — State-owned corporations should be strongly built up to assume their leading role in national industrialisation and modernisation in the current renovation process, Deputy Prime Minister Tran Duc Luong said at a meeting held here recently.

The working session was held between Prime Minister Vo Van Kiet and the presidents of the management board and directors general from nearly 100 major state-owned corporations in the north and officials from other relevant government agencies.

These corporations must be built into strong economic groups by reorganising and restructuring themselves so that they can operate more effectively, thus enabling the government to achieve the socio- economic targets set for the 1996-2000 period, Mr Luong told the meeting.

Prominent among the participants were corporations involved in electricity, coal, cement, oil and gas, post and telecommunications, and forestry industries. Their discussions focused on major issues of macro-economic guidelines such as policy and regulations on capital, finance, foreign investment, taxes, import-export activities, etc.

Though established recently, these corporations have proven to hold a strong position in the market-oriented economy. Some of them have gradually taken the leading role in the multi-sectoral economy.

After informing Prime Minister Vo Van Kiet of tasks to be done in 1996 and the coming years, the company directors suggested measures to be taken immediately to settle problems they are facing. A proper policy on finance and credit should be issued so that their corporations can perform well, they said.

Applauding their efforts to overcome difficulties in the early stage of development, Mr Luong pledged that the government will do its utmost to create a favourable economic environment for them to develop and operate effectively.

SRV Trade Magazine Suspended for 'Inaccurate' Information

BK2001141196 Hanoi NHAN DAN in Vietnamese 26 Dec 96 p 4

[Unattributed report: "Temporarily Suspending Publication of THUONG MAI Magazine]

[FBIS Translated Text] THUONG MAI (Trade) Magazine repeatedly published inaccurate information despite criticism from the Ministry of Culture and Information. The Ministry had written the publication's officials remanding it, but the magazine continued to publish incorrect and non-impartial news. Its articles entitled "Casino Company in Haiphong" ran counter to the court judgment. In the 18 November 1995 issue, the magazine carried an article "Corruption in Phu Nhuan Precinct" containing false information. The article stated that Mrs. Cuc gave a high-ranking state official a gold statue, but she claimed the statue was only plated with gold gilt, and the matter was officially recorded by security guards. This misinformation caused a bad reaction amongst the public regarding state leading cadres and created indignation for relevant people.

On 22 December, the cultural and information minister issued a decision to temporarily suspend publication of THUONG MAI magazine beginning with issue No. 53. The minister also requested the Trade Ministry, a managing organ of the magazine, to directly supervise the criticism, define its responsibility, and deal strictly with the offenders. Based on the results of the dealing and remedy measures, the Ministry of Culture and Information will decide when to reissue a permit allowing THUONG MAI magazine to resume publication.

Government Responds to National Assembly Queries

962E0005A Ho Chi Minh City TUOI TRE in Vietnamese 28 Oct 95 pp 1, 11

[Article by Huy Duc and Le Tho Binh: "The Government Responds to the National Assembly's Interpellations"]

[FBIS Translated Text] On the morning of 27 October, Prime Minister Vo Van Kiet responded to the National Assembly's interpellations about the relations in development between the key areas and other localities. He said: To achieve a high rate of development and, at the same time, to ensure stability and sustainability, we cannot concentrate on the poles of growth only, nor can we invest in development in a scattered and even manner. According to the prime minister, the problem is to know how to effectively combine development of selected areas with the creation of proper conditions for all regions to develop, preventing too great a discrepancy in the rates of growth. The prime minister also affirmed: Agricultural and rural development in the past years has made very important contributions to raising the people's standard of living, partially changing life in the countryside. However, much remains to be done to step up socioeconomic development in the remote, distant areas. Together with other cabinet members, the prime minister responded in detail to the National Assembly's interpellations about budget plans and the solution of some outstanding problems.

Submitting the Budget to the National Assembly Is Not a Pro Forma Action

Prime Minister Vo Van Kiet said: *The government does not formulate and submit budgetary plans to the National Assembly in a perfunctory manner.* However, elaborating national budgetary plans is a complex matter, especially considering the conditions of our national economy's being predominantly based on small-scale, fragmentary production and lacking stability. Moreover, we still lack experience in drafting and managing budgets while shifting to a new economic policy. Therefore some norms still lack a sound basis.

With regard to the lack of balance between receipts and expenditures, the prime minister said: The government agrees with several deputies concerning the principle that a shortfall in receipts should be compensated for by a corresponding reduction in expenditures. However, he admitted that various departments from the central to local echelons have not fully applied this principle. On the contrary, there have appeared new wasteful practices. For example, following some major, historic anniversaries in 1995, *many sectors, localities, and* *units had repeatedly organized very costly and wasteful traditional days*. However, the prime minister also admitted that, in the conditions of a low rate of accumulation of assets from domestic sources and limited revenue, substantial budget deficits are hard to overcome overnight. The government will strive to maintain the rate of budget deficits at 3% (a deficit of 9,200 billion dong is forecast for 1995).

Elaborating on the status of antismuggling efforts, Prime Minister Vo Van Kiet asserted: "It is not true that the government lacks determination in combating smuggling and corruption as some deputies contend. It is just because fighting corruption and smuggling is not as simple as banning firecrackers. Smugglers and corrupt people use many highly sophisticated tricks. They exploit the power, organizations, and means of the state itself as well as the loopholes in laws and policies."

The Cement Crisis: Initiating Action Against and Investigating the Individuals Involved

Prime Minister Vo Van Kiet informed the National Assembly: The government has entrusted the Interior Ministry with the task of coordinating with the state inspectors in initiating action against and investigating the persons involved to determine their responsibility. According to him, the first to be held accountable for the cement crisis is the director general and deputy directors general of the General Cement Corporation; the director and deputy director of the Cement Import-Export Corporation; and the directors and deputy directors for marketing of the Hoang Thach, Bim Son, Ha Tien 1, and Ha Tien 2. According to the prime minister, the ministers of construction and commerce and the chairman of the State Price Commission must also assume responsibility for the shortcomings in state management.

Prime Minister Vo Van Kiet assessed: Essentially, the recent sudden increases in the cement prices were due to the fact that some corrupt people have exploited the mistakes in the management, import, and marketing of cement to speculate and increase prices, thereby creating a somewhat artificial crisis and causing considerable losses to the state and people. The chief cause was the monopoly of the General Cement Corporation. Therefore, although the corporation was in a position to stabilize the cement market, it had shown weakness and deficiency in management and irresponsibility. The crisis was also due partly to the fact that a number of cadres had deliberately acted in contravention of the law to advance their personal interests.

The Yen Phu Dike Affair: Recalling Mr. Truong Tung

Along with instructing various sectors to urgently overcome the aftermath of construction work violating the safety corridor of the Yen Phu Dike, Prime Minister Vo Van Kiet revealed: The Party Affairs Committee of the government has proposed specific disciplinary measures against Water Conservancy Minister Nguyen Canh Dinh and Vice Minister Tran Nhon, Hanoi People's Committee Chairman Le At Hoi and former Vice Chairman Le Sinh Tang. At the same time, the government has recalled Mr. Truong Tung (ambassador to an European country) for a review of his mistakes and shortcomings. According to the prime minister, the Interior Ministry has also initiated action against seven persons charged with wrongdoing in this affair.

Yellow snails: Born From "Mr." Liksin and the Press

Answering interpellations about the yellow snail affair, Prime Minister Vo Van Kiet said: Yellow snails had existed in our country before 1975, but did not spread to many regions throughout the country until 1990. At the beginning, the snails were raised in negligible numbers by only a few families. But in 1989, only when the Liksin Company (Ho Chi Minh City) began to officially organize their breeding according to industrial methods did yellow snail farming become widespread. In 1989 and 1990, some newspapers carried series of articles extolling the economic value of yellow snails. In 1992 the Ministry of Culture and Information published tens of thousands of technical manuals on yellow snail farming.

The results was that 55.25 hectares of rice (of the 26,000 hectares infested) were totally destroyed. Prime Minister Vo Van Kiet said he had ordered that disciplinary action be considered against the ministries and localities involved. On his party, the prime minister offered to carry out self-criticism and accepted his shortcomings before the National Assembly because he had failed to promptly and effectively checked the yellow snail scourge.

Minister Ho Te: Many debtors have left no forwarding address

According to Mr. Ho Te, the total amount of debts to be settled in Phase 2 was 16,408 billion dong, including 8,204 billion dong to be collected and 8,204 billion dong to be paid. But, to date, only 7.5% have been settled. The main difficulty is that many debtors have ceased operations, has been dissolved, and have become insolvent (the majority of these debtors were unprofitable social service enterprises)> The entire agricultural and marketing cooperative systems that have disintegrated have also left behind an unpayable debt totaling 1,455 billion dong. According to the minister, many debts would have to be reduced or written off for unavoidable reasons.

Answering questions about the rampant collection of illegal fees, Mr. Ho Te admitted that there still is a large number of uncontrollable fees. Some sectors and localities have continued to fix and collect fees beyond their authority. For example, they have collected land survey fees when the state has already collected cadastral fees. They have also illegally collected other fees such as boat landing and car parking fees, land allocation fees, transportation licensing fees, small household business fees....

Asked by to Deputy Vo Tong Xuan why the peasants have to pay a fee (used chiefly for bridge and road repair) for the gasoline they use to operate their water pumps, Mr. Te said: First, at first glance, this measure seems wrong, but generally speaking, it is the right thing to do. If we fix two separate oil prices, negative practices are likely to result. Secondly, since this fee is collected for building bridges and roads for all the people, agriculture itself will also enjoy the convenience.

Minister Le Van Triet: Used cars and motorcycles are imported because of need and "hand-carried letters"

Explaining why the import of used cars and motorcycles was banned by the government in 1994 but allowed in 1995, Commerce Minister Le Van Triet said: Used motorcycles are imported because there is strong demand for them in the country and because, generally speaking, these used motorcycles are still in good condition and very affordable for the majority of consumers. If the state bans their import, they will be smuggled in, and no tax will be collected. For this reason, according to the Commerce Ministry's plans, beginning 19 January 1995, the government allowed the import of used cars and motorcycles. However, Mr. Triet added that there was another reason: Up to 258 government agencies had asked for permission to import used vehicles. Of these requests that businesses be authorized to bring in used vehicles, 106 were conveyed in 106 documents or hand-carried letters from the comrade leaders of provinces and cities and of central popular, administrative, and party organs. Commerce Minister Le Van Triet said: Right in this National Assembly session, he has received numerous comrade leaders who brought along representatives of businesses to ask for permission to import used vehicles.

Have foreign investors become disheartened?

When asked by a deputy whether foreign countries have been disappointed with their investment in Vietnam, Minister Dau Ngoc Xuan, chairman of the State Commission for Cooperation and Investment, answered in the negative. He said that before 1994, foreign investment increased 40% annually, but in 1995 it has increased more than 80%. However, he also admitted that there have been no few complaints by investors about the backwardness of our infrastructure and the still very high level of risk in the Vietnamese market, especially corruption and the ill-defined tax system and formalities. The government has determined that land-use permits must be issued within 30 days of application, but only 10% of the state agencies been able to comply with this time limit.

Asked directly by Mr. Vu Dinh Cu whether the French company Total's departure would affect the Dung Quat Project, Mr. Xuan also said: "No! Immediately after Total bowed out, a host of bigger partners have asked to join the project."

Health Minister Nguyen Trong Nhan answers interpellations for the last time

Outgoing Health Minister Nguyen Trong Nhan thanked the National Assembly for "allowing me to stop serving as minister of public health." And his last proposal as health minister was that the loss of 24 billion dong and $500,000 in the Ministry of Public Health from 1989 to 1992—before his tenure—must be dealt with. He said: The prime minister has been notified of the outcome of the probe into this affair since 19 October 1994, but the case has not yet been dealt with. This proves that the struggle against corruption is very difficult and complex indeed.

Mr. Nhan added: *"It is regrettable that the poor still have difficulty seeking medical help. But I think this situation won't end any time soon." According to him, the amount of money spent for health care for each Vietnamese in 1995 and 1996 remains exactly the same as in 1989. For Vietnam, in 1989 this expense amounted to $0.83 per person, as compared to $1.26 person for Bangladesh, $3.03 person for Laos, and $13.84 per person for Thailand. As Mr. Nhan saw it, Vietnam's total health care budget for 1996 is smaller than that of an average hospital in the United States. Mr. Nhan went on: It is necessary to tell the National Assembly that the hardship allowance paid to even a prominent surgeon like Ton That Bach for a case of heart or liver surgery, which is a major operation, is only 5,000 dong—equal to the price of a bowl of pork rice soup; that the night duty allowance of a doctor is 3,000 dong; and that medical* *personnel have to work in 24-hour shifts. The Ministry of Public Health has time and again proposed that this state of affairs should be changed but its proposals have not yet been acted on.*

Ministers Tran Hoan, Tran Dinh Hoan, Phan Ngoc Tuong, and Nguyen Canh Dinh also responded to interpellations concerning some issues in their areas of responsibility.

SRV Minister Interviewed on Government Reshuffle

962E0006A Hanoi THOI BAO KINH TE VIET NAM in Vietnamese 19-25 Oct 95 p 3

[Interview with Minister Phan Ngoc Tuong, chairman of the Government Cadre Organization Committee, by Nguyen Quy Hao; place and date not given]

[FBIS Translated Text] [Hao] Mr. Minister, can we consider the merger and reorganization of a number of ministries that the government recently presented to the Eighth Session of the Ninth National Assembly as a positive signal of the effort to reduce bureaucratism in the state administrative machinery?

[Tuong] The merger is intended not only to cut down bureaucratism in the state administrative machinery. When switching from the model of centralized economy to the market mechanism, and when separating the state management function from the production and trading function, we aim at two objectives: upholding the state management and macro management role of the various ministries, and, on the other hand, creating proper conditions for businesses to decide their own business activities with regard to finance, production, investment, marketing.... In the past, the ministry acted as a director, manager, and administrator at the same time. These functions are now separated: the ministry is no longer a direct administrator. In the past, the two functions of state management and production-trading were one, and that not only negated the creativity of businesses but the agencies in charge also interfered too deeply in the production and trading activities of businesses. This had resulted in many manifestations of prerogatives and privileges and in the phenomenon of violating official policies, procedures, and laws in state administrative organs as well as in trading units.

The duties of state managerial agencies, ministries, or people's committees, in their capacity as public administrative organizations, are to formulate strategies, protect and assist businesses, devise cadre plans, manage science and technology..., control and inspect compliance with law. In their capacity as owners of public property, they have the function of administering unified management of the founding, separation, and dissolution of businesses. They also determine the tasks and strategic targets of businesses, ratify their direction of production development, provide and allocate capital, grant the right to use the means of production, promulgate regulations and organizational models, appoint and dismiss directors...

The merger of the various ministries will help not only reduce the number of centers and streamline the managerial machinery in conformity with the trend in the countries around us, but also create favorable conditions for the study and development of systems capable of meeting the demand of increasingly interdepartmental socioeconomic activities.

[Hao] In the long run, the merger of ministries will not stop here. Is that right?

[Tuong] This is only a reform of the administrative system, a first step in rearranging a number of ministries and sectors which are interrelated, have similar technical characteristics, and are mutually supportive.

[Hao] When carrying out mergers, what should we do to avoid disarranging manpower and loss of property?

[Tuong] The Prime Minister has sent messages to the ministries and sectors to be merged, asking them to refrain from dismissing or promoting cadres, mobilizing personnel, and transferring capital and property until the National Assembly has issued decisions to give guidance. In the past, the separation of provinces had caused many problems. That was a lesson for us and a disaster caused by the lack of guidance. That was also our shortcoming. The same thing happened when the Ministries of Hhome trade, supply, and foreign trade were merged. The state should have firmly controlled the public assets. For example, the ministry of commerce in some cases had turned state-owned real estate into property of businesses, such as the head office of the former home trade ministry on Dinh Tien Hoang Street.

[Hao] Mr. Minister, will the merger between the State Commission for Cooperation and Investment [SCCI] and the State Science Commission[SSC] help create better conditions for foreign investors?

[Tuong] Of course, it will. At present, the SCCI reviews foreign investment projects, but it must do this in conformity with state plans and strategies. Once this is done, these projects must be reviewed once again by the SSC to see if they are redundant. This means additional work and delays. Now, the merger will eliminate that review and promote unity in planning. In the future, we will try to gradually unify local capital with foreign capital. At present, these two kinds of capital are still separated.

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[Hao] At present, all projects must be submitted to SCCI. Will they be in the future too?

[Tuong] We may study this matter later. We will reclassify all kinds of projects and will delegate authority to local agencies. For example, in the future we will create a system under which projects with limited investment capital could directly contact local agencies.

[Hao] But, there is the problem that local agencies at various levels are not capable of reviewing projects.

[Tuong] That is a problem we must solve urgently. What we lack is capability.

[Hao] Mr. Minister, would you please tell us whether reorganization at the central level will affect the performance of the local level?

[Tuong] In the administrative reform program, we will discuss dividing labor and broadening the authority of localities. The important question is how to broaden their authority in conformity with the law. For example, take the land allocation question. Each locality may allocate 2 hectares, but some projects require 10 hectares. We must find some mechanism that localities can apply.

[Hao] Along with reducing the number of centers and revising the functions of the various ministries, we have set up large general corporations. Some fear that these general corporations might metamorphose into mini ministries. Are such fears well founded, Mr. Minister?

[Tuong] The current ministries are state management agencies. The current general corporations are business firms, not management organizations. Some people who previously served as ministers or vice ministers are now chairmen of the board—that is, they are businessmen, not managers. For example, Mr. Thai Phung Ne, former minister of energy, is now a chairman of the board. Basing himself on the state's strategic orientation, he must strive to develop the power industry. Or take the case of Vietnam Airlines; it may buy or lease aircraft as it pleases, and it may do whatever it wants to (of course, what it buys with money provided by the state must be reported and explained, and the result of the purchase must be proven). But granting permission to fly through our airspace is not a duty of Vietnam Airlines; it falls under the state's authority and is a functions of the Civil Aviation Department. It is the same with the phone service....

There is no danger of the general corporations turning into ministries because managerial authority belongs to the ministries. The state does not grant the general corporations any managerial authority. The state only allocates capital to the general corporations, and their function is to do business and to preserve and develop that capital. If we have anything to fear at all, that must be monopolies and the absence of competition. We must make laws to ensure competition. We should not allow any sector to have only one general corporation; there must be at least two general corporations in each sector. Development is possible only if there is no monopoly.

[Hao] The founding of large general corporations seems to be an effort to learn from and apply the experience of other countries, South Korea, for example. But there is a fundamental difference here, namely the fact that foreign corporations are state-supported privately-owned organizations. How can we ensure the success of our general corporations when they are still owned by the state?

[Tuong] As I have just said, there must be competition, and monopolies must be abolished. We must even allow private individuals to develop and invest in those sectors that are not important. During a visit to a privately owned company, General Secretary Do Muoi even asked: "Can the state contribute capital to your company?" Perhaps we must study that model because private individuals have their own ways of doing things; they manage things better.

[Hao] Some general corporations will receive more assistance from the state, especially in terms of capital. Which domains will be given priority?

[Tuong] With regard to a number of important sectors such as electricity, which should take one step ahead in the industrialization process, therefore it should be given priority. There are other sectors that are equally important but need no assistance on a priority basis because they can recover their capital fast and are highly profitable, such as the civil aviation industry. We will mainly give priority to anything having to do with the infrastructure. Here, we are not talking about those nonprofit businesses that serve public interest such as street lighting, water supply...; the state will continue to assist these businesses.

[Hao] In managing more than 6,000 state-owned businesses, would the responsible organs of the Finance Ministry—namely the General Department for Management of State Capital and Property in Businesses and the Department of Public Property—do a better, more efficient job than the ministries in charge in the past?

[Tuong] As a matter of fact, in the past the ministries in charge did not manage anything. They just meddled and shared power, but in reality the management function has always been in the hands of the Finance Ministry. Each year the businesses still had to balance their accounts at the Finance Ministry. They paid their taxes to the Finance Ministry, not the ministries in charge. The present management of the state businesses by the Finance Ministry means that there are fewer intermediary levels, that everything is concentrated in a single center, that central and local businesses are also concentrated, and that the dividing line between central and local businesses is eliminated.

SRV Aug 95 Party Journal Table of Contents

963E0005A Hanoi TAP CHI CONG SAN in Vietnamese No. 10, Aug 95 p 1

[FBIS Translated Text]

In Celebration of the 50th Anniversary of the August Revolution and the 2 September National Day (1945-1995)

Editorial: One Half Century of Glorious Victory of Vietnam's Revolutionary Cause [not translated] .. 3
Let Us Rely on the People to Strengthen the Party's Leadership Role and Continue Advancing the Renovation Undertaking to Total Victory [Nguyen Van Linh] 5
Vietnamese Diplomacy Makes Worthy Contributions to the Nation's Revolutionary Cause [Nguyen Manh Cam; not translated] 9
Ho Chi Minh's Great National Unity Concept and the Victory of the August Revolution [Dinh Xuan Lam and Bui Dinh Phong; not translated] 16
It Is Not True That the August Revolution Had No Specific, Direct Object [Nguyen Thanh; not translated] 18
The Tan Trao National Congress, Our Party's Timely, Effective Strategic Guidance [Nguyen Khang; not translated] 22

Reality - Experience

Education in the Country's Advance [Tran Hong Quan; not translated] 25
Rural Communications Construction, a Premise For Rural Renovation and Socioeconomic Development [Bui Danh Luu; not translated] 30
The Struggle To Prevent and Suppress Crime in the Current Situation [Le The Tiem; not translated] 33

Research - Exchange of Opinions

Contributing to the Evaluation of Vietnamese Culture in the Second Half of the Century [Ha Xuan Truong; not translated] 37
How To Approach the Post-August Revolution Vietnamese Literature In Order To Evaluate It [Nguyen Van Long; not translated] 42
There Still Remains the Class Struggle [Vu Hien; not translated] 45
Fifty Years of Protecting and Developing Human Rights in Vietnam [Hoang Cong; not translated] 49
On the Role of Marxist-Leninist Political Economy in Colleges and Advanced Schools [Phan Thanh Pho; not translated] 53
The Bloc Party Organization in the Party Organizational System [Nguyen Kim Dinh] 57

Letters to the Editorial Staff

Is It True That the Communist Party Leadership Is Not Necessary When Our Country Switches to Market Economy? [Le Quang Dien] 59

The World: Issues and Events

Relations Between Vietnam and West and North European Countries in the New Situation [Nguyen Dy Nien; not translated] 61
Looking Back at Two Decades of Implementing the UN Resolution on Women's Advancement [Nguyen Huu Cat and Ngo Thi Ngoc Anh] 64

From Foreign Publications

"Vietnam's Self-Renovation Momentum" (Excerpts from the Book "Letters From My Heart" by Do Mau)[not translated] 67

Understanding Concepts

Tax, Tax System [not translated] 70

SRV Party Journal: Nguyen Van Linh on Party Leadership

963E0005B Hanoi TAP CHI CONG SAN in Vietnamese No. 10 Aug 95 pp 5-8

[Article by Nguyen Van Linh, adviser to the Communist Party of Vietnam Central Committee: "Let Us Rely on the People to Strengthen the Party's Leadership Role and Continue Advancing the Renovation Undertaking to Total Victory"]

[FBIS Translated Excerpt] [passage omitted] It must be affirmed that right after its founding our party already knew how to renovate itself, and in the process of leading the revolution, our party has constantly carried out renovation. The renovative line of the Sixth and Seventh Party Congresses... was the continuation of that tradition. To be a worthy leader, our party constantly examines and renovates itself. Our party is always true to Marxism-Leninism and Ho Chi Minh's thoughts and always dedicates itself to the people's happiness and national independence. But, it is obvious that, recently, after we had gained power and since we had to engage deeply in the renovation process as dictated by the situation, the two issues of the "party leadership" and the "popular masses' role" have been raised again in both *perception* and *practice*. A number of cadres, including high-ranking ones, have intended to lessen the party's leadership role and have even demanded that there be multiple parties. Moreover, not a few people, especially those entrusted with administrative and economic management duties, only want to issue orders and instructions, have resorted to corrupt and wasteful practices, and have embezzled public property to enrich themselves illegitimately. Many cadres of various party and state agencies and mass organizations seldom go to the people to explain and propagandize policies, to mobilize the masses, and to collect and listen to their aspirations. Everyday, the people have countless urgent problems needing resolution, but it is very difficult for them to see representatives of the administration, party, and mass organizations. Many positions and policies have constantly got stuck when being communicated from the upper to the lower levels or from the lower to the upper levels. A segment of cadres and party members are depraved, treat the people in an overbearing manner, and practice corruption in many forms.... If not overcome, all these manifestations would become an internal factor weakening the party's and state's leadership role and the people's strength. The enemy would capitalize on such a situation to attack us and to carry out his dark "peaceful evolution" design.

Our comprehensive renovation undertaking has recorded very great and important achievements. This undertaking marks our party's maturation in leading the socialist revolution. But if we carry out party reorganization and building regularly and pay attention to resolving even more efficiently the issues of the party's correct leadership role and the people's right to mastery and raising the close party-people relations to a higher level, our renovative cause will certainly achieve many more victories.

To strengthen its fighting strength and leadership role, the party must persist in its revolutionary position, be true to Marxism-Leninism and Ho Chi Minh's thoughts, and rely on the people to build the party and successfully lead the renovative cause in our country.

The law-governed socialist state, socialist-oriented market economy, open-door external economic relations..., all are extremely new issues. So, to exercise its leadership correctly, the party must listen to the people. But how? The party must listen to the people regularly, instead of waiting until there is a scheduled meeting. It must listen directly to peasants in communes and villages, even in remote hamlets; it must listen to toiling workers in their quarters and to the lowest civil servants, officials, and soldiers; it must listen to representatives of mass organization cadres and to retirees who are in close daily contact—and exchange confidences—with the people. The party should constantly ask why the masses do not say everything they want to say, why they do not dare to speak out, and why they do not speak up specifically and accurately. But while listening, the party should also analyze, select, and decide which issues to be resolved first, which ones to be tackled later; then, it should ask for the people's opinions on how to resolve them.

If the party exercises leadership and the state administers management without going to the masses to propagandize and explain, how could they know whether their lines and policies are correct and consistent with reality or not? It is a fact of life that there are decisions that we believe to be correct, but in reality they are only partly correct; or our decisions are correct, but policies resulting from them and the organization of implementation are not appropriate and at cross-purposes. There are even decisions that are not totally correct and appropriate, but when they have filtered down to the masses, the masses implement them in an active and creative manner, thereby adapting them to reality. Therefore, to avoid or reduce mistakes and to bring into full play the mastery role of the masses, the party and state must listen to them. They must also regularly and continually check and review the masses' creative deeds. They must carefully, objectively, and specifically check and concisely and lucidly sum up examples of good people and good deeds in order to widely disseminate them, thereby enabling everyone to learn about and emulate them and creating a vigorous mass movement for revolutionary actions.

The party must lead so that the people may really exercise mastery. In the National Assembly and people's councils at all levels and in the mass organizations under the party leadership, representatives of the people must be encouraged to speak up, and we must let the people's representatives debate and interpellate executive and judiciary organs and must give them the power to dismiss those executive and judiciary cadres who have made many mistakes. Party members working in those organizations must know how to dispute incorrect opinions but must listen to and respect the correct views of the people's representatives so as to give expression to the people's legitimate opinions and aspirations. The law is the will of the class and people; it is also a condition for the people to exercise mastery. The administration relies on the law to administer management, and the people rely on the law to exercise mastery. For this reason, laws must be made with the thorough participation of National Assembly deputies, that is, the people's representatives. Once a bill has become law, it must be scrupulously implemented by all the party, administration, and people.

The people's councils at all levels—with the National Assembly being the highest—should not include too many high-ranking cadres of the administration. We should let party members who do not participate in the administration—and even good citizens who have not joined the party—participate in the National Assembly and the people's councils at all levels. These persons should maintain close daily contact with people of all walks of life and collect and report their opinions and aspirations to the National Assembly and people's councils. Only in this way will the decisions of the

National Assembly and people's councils be consistent with life, and only in this way will Uncle Ho's statement that "the state belongs to the people" and the motto "the party assumes leadership, the people exercise mastery, and the state administers management" be correctly translated into reality.

If we want to rely on the people to exercise leadership, we must also know how to rely on the people to satisfactorily carry out party building. At present, an overwhelming majority of the people have a high level of political knowledge and are very sensitive politically; they know very well which party members are degraded and deviant, which cadres are corrupt and authoritarian, who are abusing the titles of party member and cadre to bully the masses, indulge in wasteful practices, practice corruption, and steal the state's and people's money. The people also know very well which party bases suffer from internal disunity. The problem is how the party can motivate the masses to make suggestions to help the party correct, rectify, and overcome its shortcomings. In the current situation, the party must dispatch its members to production establishments (even to economic establishments owned by private individuals or founded with foreign capital) to lead the masses. Party members operating in those places, together with the masses, would be further educated in class and national consciousness, revolutionary stance, and professional skills. The party should speed up recruitment of new party members from among intellectuals, youth, workers, and peasants. We put a premium on quality but should not be narrow-minded, biased.... The fundamental question is how loyal to the socialist ideal the new party members recruited from among those people are, how courageous they are in struggle, and what is the effect they have on the masses.

If we rely on the people, our cadre work will certainly become highly efficient. Experience has shown that the people will point out for us who are loyal, who are capable, who are surrendering and betraying the socialist ideal, who have been infected with the "peaceful evolution" poison.... Therefore, if we go to the people for advice about this matter, we will certain be less prone to making mistakes in promoting, considering, dismissing cadres.... We must promptly put an end to the current practice of tolerating and even promoting many cadres and party members charged with wrongdoing—instead of demoting them, expelling them from the party, or prosecuting them—while numerous good non-party members among the masses are denied party membership and many deserving cadres are refused promotion.

To enable the people to exert mastery and voluntarily and actively contribute to party building, we should formulate appropriate and essential rules and regulations. Once enacted, these rules and regulations must be implemented in a really satisfactory manner by the party committee echelons and the administration themselves. Any place, anyone failing to do that must be resolutely punished.

At turning points in their lives, children often go back to their caring mothers for warmth and support. At turning points in the revolution, especially when the leading party has become the ruling party, and in the current renovation undertaking, the party and people must be more united than ever before. With the people firmly believing in the party and the party finding its source of strength in the people and relying on the people to strengthen its leadership role, our renovation undertaking will certainly win total victory and all "peaceful evolution" designs of the imperialists and capitalists will certainly meet with failure.

SRV Party Journal: Official on Party Departments

963E0005C Hanoi TAP CHI CONG SAN in Vietnamese No. 10Aug 95 pp 57-58,66

[Article by Nguyen Kim Dinh, specialist of the Organization Department of the Communist Party of Vietnam Central Committee: "The Bloc Party Organization in the Party Organizational System"]

[FBIS Translated Text]I. The bloc party organization is a form of organization above the primary level that has no corresponding administrative echelon. Over the past several years the bloc party organization has been an issue regarded by many people, sectors, and levels with concern. There was a time when bloc party organizations were set up, only to be dissolved later on. Many conferences and symposiums on this subject have been held over the past several years, during the terms of different party congresses. But to date, there still remain numerous divergent views. In the main, there are two different opinions:

-*The first view* holds that there should be no bloc party organization because no corresponding administrative level exists. Moreover, in a bloc there are too many different party chapters and basic party organizations—such as production-trading, administrative, and nonproductive units—or there are party and administrative organs as well as mass organizations. For this reason, it is difficult to determine a bloc party organization's political task that encompasses all the forms of party bases directly subordinate to that bloc party organization. Bloc party organizations and party committees only perform political and ideological duties and attend to party affairs.

-*The second view* contends that the bloc party organization is necessary because of the characteristics of our national economy, which is still scattered and developing with a large and steadily growing number of basic units. In addition, the leadership and management standard and capability of local party committee echelons and administrations do not measure up to their tasks. Therefore, bloc party organizations are needed to satisfactorily regulate and lead the political tasks of the lower echelons, firmly control cadre work, and link party building with political tasks.

In fact, during the 1960's the Party Central Committee had already set up party organizations of the civilian, administrative, and party blocs directly subordinate to the Central Committee. However, after the Fourth Party Congress, nearly all the basic party organizations were dissolved or placed under the direct management of precincts and districts. As a result of the implementation of that policy, the number of basic units directly subordinate to the precinct and district party committee echelons increased to hundreds (such as in First and Eleventh Precincts... of Ho Chi Minh City). In many large-scale enterprises, hospitals, schools, scientific research agencies which had numerous scientific and technical cadres and a contingent of highly knowledgeable cadres, the precinct and district party committee echelons lacked the proper conditions and capability to exert leadership. For this reason, these basic party organizations operated almost as "temporary boarders"; the political tasks discussed by the localities did not concern these directly subordinate basic party organizations in the least.

In view of these realities, in 1982 the Ho Chi Minh City Party Committee proposed to the Party Central Committee and was authorized by the Party Central Committee's Secretariat to set up party organizations of blocs and corresponding upper echelons. During that period, 14 bloc party organizations were founded in the central economic establishments located in Ho Chi Minh City (called party organizations of the ministerial blocs), 11 branch party organizations (called service party organizations), and two party organizations of the nonproductive establishments (one party organization of the bloc of the Health Ministry establishments and one of the installations belonging to the Ministry of Secondary Vocational and Higher Education).

On 8 November 1982, the Party Central Committee's Secretariat issued Decision No. 12-QD/TU setting up seven party organizations of the bloc of agencies directly subordinate to the Secretariat.

At present, bloc party organizations exist throughout the country in the following forms:

In the central organs, there are seven bloc party organizations, namely the party organizations of the central agency bloc (Bloc 1), the ideology bloc, the science and education bloc, the mass mobilization bloc, the external relations bloc, the internal affairs bloc, and the economic bloc.

In the localities, a party organization of the interagency bloc has been set up. This party organization encompasses provincial-level civilian, administrative, and party agencies and state management organs, including the state-owned business establishments in the various services. This form of organization is used in a number of localities where few central economic and industrial establishments are located. At present, some provinces such as Kien Giang, Minh Hai... are planning to separate the party organizations in the state-owned businesses from the interagency party organizations and place them under the direct management of the cities and districts because they deem the present arrangement irrational. However, this plan has not been approved by both the upper-level and directly subordinate party committee echelons. The districts contend that they cannot manage these party organizations; on their part, the state-owned businesses concerned do not want to be directly subordinate to the district and city levels.

In Ho Chi Minh City, there are several kinds of bloc party organizations, namely the party organizations of the blocs of central economic and nonproductive agencies located in the city, of the local sector bloc, the administrative bloc, and the mass organization bloc. In Ba Ria-Vung Tau Province, there are the party organization of the bloc of central economic establishments located in the locality, the party organization of various branches (services), the party organization of the civilian and party bloc, the party organization of the administrative agency bloc, and the party organization of the internal affairs bloc.

In Dong Nai Province, there are the party organization of the civilian, administrative, and party bloc; the party organization of the local economic bloc; and the party organization of the Bien Hoa Industrial Zone. In the future there will be several party organizations of the newly established industrial zones.

After several years of study, we have noticed that several bloc party organizations have operated fairly well owing to the employment of party secretaries and full-time cadres who are capable, have good quality, and are enthusiastically devoted to party work, and to the provision of sufficient working facilities and funds. We can cite a number of party organizations that have operated well such as the party organization of the light industry bloc, the party organization of the agriculture and food industry bloc, the party organization of the public health bloc, the party organization of the secondary vocational and higher education bloc...in Ho Chi Minh City; the party organizations of the economic bloc and the Bien Hoa Industrial Zone in Dong Nai Province; the party organizations of the civilian and party bloc and the internal affairs bloc... in Ba Ria-Vung Tau Province; and the party organizations of a number of blocs in other provinces. At the central level, the majority of the bloc party organizations operate well and regularly. These party organizations are really a prop to the provincial and city party committees and the various ministries, departments, and sectors at the central level in keeping abreast of the situation and exercising guidance and leadership.

After several years of monitoring, surveying, and studying, I have seen that, to have an appropriate and scientific party organizational system, we must ensure the following conditions (in the entire system):

First, the party organization at each level must be organized according to the corresponding administrative level (except in special cases). At present, there are four levels in the country: the central level, the provincial and municipal level, the precinct and district level, and the basic level (determined by regulations).

Second, the number of directly subordinate party committee echelons at all the four levels should be determined in a rational manner. In the process of exercising leadership, these echelons should be given adequate time and working conditions to achieve the highest possible efficiency.

Third, the upper-level party committee echelons must be more capable, better, and more virtuous than the lower echelons in order to be able to lead effectively.

Fourth, upper-level party committee echelons must be knowledgeable and given adequate means to satisfactorily lead their directly subordinate units' efforts in fulfilling political tasks and to ensure the linking of party building with political tasks in conformity with party-building guidelines.

On the basis of the aforementioned conditions, with the exception of the first condition, which has been fulfilled relatively completely, all the other conditions have not yet been really ensured. For this reason, in reality the current party organizational system in many party organizations at various levels is not suitable. At some provincial, municipal, and precinct and district levels, there still are too many directly subordinate units the number of which is in excess of what is considered reasonable. Many party chapters and basic party organizations have not linked their political tasks with those of the upper-level party organizations to which they are directly subordinate. Many large-scale basic units placed under the direct management of precincts and districts have not shown that they are "superior" to the directly subordinate echelons as upper-level party committee echelons should be.

II. From the foregoing analysis, I think that we should maintain the form of "bloc party organization" (directly subordinate to the center and localities). After several years of operations and existence, the bloc party organization has been tested in reality and recognized. I think that we should organize a more comprehensive review of this question in order to obtain a unified and more suitable form of organization. For the immediate future, I would like to suggest some organizational forms for bloc party organizations as follows:

In the central agencies, we should maintain the present seven bloc party organizations. To ensure suitability, we should only separate the party chapters and party organizations of production and nonproductive establishments (if any) from the bloc of central agencies and transfer them to the blocs of production, trading, and nonproductive establishments directly subordinate to the Hanoi Municipal Party Committee.

In the localities, there should be the following bloc party organizations:

-In major cities such as Hanoi, Ho Chi Minh City, Haiphong, and so forth, and in some provinces where many central industrial and economic establishments are located, there should be a party organization of the bloc of central economic establishments located in these localities; a party organization of the bloc of central nonproductive establishments (if any) located in these localities; a party organization of the local production and service sectors; a party organization of the bloc of party agencies; a party organization of the bloc of provincial administration and state management agencies; a party organization of the bloc of mass organizations; and a party organization of the internal affairs bloc.

-In those localities where there are few industrial and economic establishments, we could set up from four to five blocs, namely the bloc of central and local economic establishments located in these localities; the bloc of provincial administration and management agencies; the bloc of party agencies; the bloc of mass organizations; and the bloc of internal affairs.

After perfecting the market economic management system and dissolving a number of ministries and services in charge of various production sectors, we should then abolish the form of party organization set up according to such sectors (or services) in the major cities, place the basic party organizations of these sectors under the direct management of the party organizations of the general bloc of specialized economic establishments in the localities concerned, drawing no distinction between the central and local economic blocs. With regard to the responsible agencies and general sectors and services such as education, health care, power, finance, banking, treasury, tax, and so forth, we should maintain the current hierarchical sectoral party organizations or establish new ones (in those localities where party organizations have not been set up) throughout the provincial level to link party work with political tasks and to reduce the number of agencies necessary for the precinct and district level. Doing this would not affect the implementation of local policies because, wherever they may operate, basic units should establish good relations with the localities concerned to support the fulfillment of common duties. On the other hand, doing this would also contribute to building party organizations and provide cadres for the localities, if required. If a locality wants to attract talented people, it needs only apply a correct system and policy. Over the past several years, a number of provinces and cities such as Hanoi, Haiphong, Quang Ninh... have satisfactorily carried out the task of recruiting cadres for party committee echelons from various economic and industrial establishments as well as from scientific research agencies of central level locate in the localities.

Once the form of bloc party organization has been stabilized as described above, bloc party organizations would be in a position to lead the implementation of various tasks, including party building and leading the implementation of political tasks. This is because each organization, whether it has a corresponding administrative level or not, does have political tasks which includes specialized, professional tasks, scientific research, production and business, economic management, state management, and so forth.... This is the central task through which we would build organizations, assign cadres, and determine the content of party building. The Central Committee and local party committee echelons should assign cadres with high standards, good quality, and capability; in particular, they should appoint party committee secretaries who measure up to their tasks. Appropriate policies and staffing are necessary to create favorable working conditions for party organizations, thereby ensuring that the various blocs of agencies and establishments will satisfactorily fulfill their role of political nucleus and satisfactorily lead the performance of the tasks entrusted to them.

SRV Party Journal: Need of Party Leadership in Market Economy

963E0005D Hanoi TAP CHI CONG SAN in Vietnamese No. 10 Aug 95 pp 59-60

[Article by Le Quang Dien, teaching cadre at the Hue Teachers College: "Is It True That the Communist Party Leadership Is Not Necessary When Our Country Switches to Market Economy?" published under the rubric "Letter to the Editorial Staff"]

[FBIS Translated Text] In the current renovation undertaking, despite the influence of the complicated changes in the East European countries, the frenzied opposition and sabotage by imperialist and reactionary forces, and the obstacles raised by domestic difficulties, our party has stood firm in its central position to lead the socialist revolution in our country, taking the country forward step by step by overcoming the difficulties, and recording more and more important achievements in both domestic affairs and external relations. However, at present some people think that the Communist Party leadership is not necessary when the country switches to market economy and that this leadership only impedes economic operations and hinders managers' work. In not a few enterprises, companies, and ministries in charge, party organizations only play a formalistic role, yet business still yields good results and work proceeds smoothly.

Holders of this view only see the external aspect of some economic phenomena and fail to correctly understand the true nature and essence of the market economy being built in our country. Their judgment is based on the phenomena of a few basic party organizations which are still weak and deficient. Such shortcomings have been exploited, distorted, aggrandized, and turned into an issue of essence to serve personal designs. This is a totally false argument which our party and people can never accept. We must affirm that the Communist Party leadership is an objective requirement ensuring the victory of socialist orientation in our country at present. This is because of the following:

First, *with regard to the goals of the revolution*, when our country switches to market economy, the socialist objective cannot be achieved without the Communist Party leadership.

Throughout the past 65 years, our party, founded, led, and trained by President Ho Chi Minh, has become a staunch Marxist-Leninist party which uses Marxism-Leninism and Ho Chi Minh's thoughts as the theoretical basis for the determination of lines, viewpoints, and ideological foundation to guide the entire revolutionary cause of our people. History has confirmed that the leadership of the Communist Party of Vietnam [CPV] is the factor deciding all the victories of the Vietnamese revolution in national liberation and reunification in the past as well as in building and defending the socialist homeland at present and in the future. In its capacity as the political vanguard of the working class, the Communist Party is the only force capable of initiating the renovation policy and the only force capable of leading the cause of renovation in our country. Without the party leadership, the renovation undertaking will become disoriented and swerve from its goals. Our party has affirmed: "To renovate is not to change the socialist objective; on the contrary, it is to achieve that objective in an efficient manner by adopting a correct concept of socialism and applying suitable forms, steps, and measures."[1]

That objective has found expression in the line and policy of economic development in our country.... Regrettably, because of a lack of careful study or because of personal motives, a handful of people have developed misconceptions, vague thinking, and tortuous arguments in an attempt to reject our party's leadership role, which essentially amounts to rejection of the socialist objective.

Second, *concerning the essence of economy*, the socialist-oriented market economy which our country is building differs from capitalist market economy. This difference manifests itself in *five characteristics*: the system of ownership, the economic sectors, the management system, the distribution system, and social policy.[2] For this reason, no matter what form of "adjustment" it may use, a bourgeois government can in no way change the nature of capitalist market economy.

American scientist Samuel Boules once said that "there is no other way to examine" capitalist economy than the Marxist way. This also explains why we advocate developing market economy but we do not allow it to operate blindly; instead, we must lead, guide, and regulate market economy to put to good account its positive aspect, to limit its negative aspect, to serve the interests of the majority of the working people, and to promote a just and civilized society. The only organization that has the capability and is in a position to do so is the CPV.

Reality has shown that the party leadership "does not obstruct the operation of economy"; on the contrary, it helps create additional moving force for that operation.

So, would the party leadership "hinder managers' work?" Of course not, because there is a clear distinction between the party's leadership role and the administrative function of managers. In the market economy in our country at present, basic party organizations in the state-owned businesses always assume the role of the nucleus of political leadership in all units, help firmly maintain the political orientation in all production and business activities, and lead the concretization of the production and business goals, directions, and plans. Basic party organizations respect and develop the role of the board of directors; educate, lead, and motivate party members and the masses to actively participate in achieving the socioeconomic targets already approved. Basic party organizations are dutybound to correctly perform their controlling function by means of appropriate measures. Obviously, a regular and correct performance of this controlling function cannot "hinder manager's work"; on the contrary, it will help uphold and put to good account the sense of responsibility as well as the initiative and creativity of managers. At the same time, it will bring into play the intellectual power and experience of the collective of cadres and workers in carrying out their units' political tasks, promptly discover and check all acts contrary to party resolutions and state law, and rectify all manifestations of negativism at once.

A question that needs further clarification is this: Is it true that "party organizations in not a few enterprises, companies, and ministries in charge only play a formalistic role, but business still yields good results and work proceeds smoothly"? This is an arbitrary assertion. May we ask what is the basis for the assertion that in the profitable businesses "basic party organizations only play a formalistic role"? Reality? Concerning the state-owned businesses, there may be *two*cases:

1. *Is it because there are few party members?* This argument is not borne out by reality, because the leadership capability of basic party organizations does not depend solely on the number of party members. What is more important is the quality of party members in those establishments. Following our switch to market economy, despite the small number of their party members, basic party organizations in not a few businesses have made great contributions to the success of these businesses in the process of changing the management mechanism, thereby enabling them to stand firm in an environment of fierce competition and to operate efficiently. This is due to the high sense of responsibility, the capability, and the dedication of these party members, who are truly and example for the masses to follow.

2.*Is it because of the poor quality of party members?* This contention is correct only in the cases of inefficient units where basic party organizations either serve as "a front" for the director or are considered a "dependent" organization. Under such conditions, the director normally controls all operations of the businesses. With such a director, a business certainly cannot avoid negative phenomena such as privileges, perquisites, corruption, and so forth, which are evils that have in reality sent not a few directors to jail and led businesses to dissolution—an inevitable consequence of the view that "the party leadership is not necessary."

Concerning the businesses belonging to other economic sectors (such as joint stock companies, joint ventures, and private enterprises), party leadership is exercised through the socialist state and its responsible organs to control the implementation of the lines, positions, policies, and laws of the state in those businesses. Through this control, *on the one hand*, party leadership helps businesses satisfactorily discharge their obligations to the state and curb negative practices caused by the market mechanism in production and trading activities. *On the other hand*, there must be appropriate policies to encourage businesses to invest capital to develop production and trading in those branches that are beneficial to the national economy and the people's welfare.

In short, the Communist Party's leadership role in the socialist-oriented market economy in our country *is not only* necessary *but also* extremely important. It is the decisive factor that ensures the success of the cause of renovation for the objective of making "the people prosperous, the country powerful, and society just and civilized." The view of those who want to deny the CPV's leadership role at present is totally wrong; it has been completely rejected by historical reality.

Footnotes

1. From the Resolution of the Sixth Plenum of the Sixth Party Central Committee.

2. Read "Market Economy and the Party's Leadership Role" by Nguyen Phu Trong," TAP CHI CONG SAN, Issue No. 1-1994, pp 29-30.

SRV Reiterates Commitment To Solving Refugees Issue

BK2001145996 Hanoi Voice of Vietnam in English 1000 GMT 18 Jan 96

[Station Commentary]

[FBIS Transcribed Text] Five hundred Vietnamese boat people last week voluntarily repatriated to Vietnam from Hong Kong refugee camp. It was the largest number of repatriates since April last year. Our radio editor comments.

Worthy of note is that the event took place several days after the Bangkok meeting of representatives of many countries and the UN High Commissioner for Refugees. The fact that Vietnamese refugees in Hong Kong opt for voluntary repatriation after the meeting is a good sign for the process of settling the issue.

It is pertinent to remember that in 1969 [date as heard], a conference on Indochinese refugees was held in Geneva. At the conference, concerned parties agreed to approve a Comprehensive Program Action on the repatriation of refugees. A point in this program encourages settlement of eligible people in a third country, and repatriation of illegal refugees [word indistinct] at camps in Southeast Asia.

In December 1994, a conference of the executive committee of the Comprehensive Program Action issued a statement setting the goal of ending the repatriation in December 1995. Vietnam has committed to receive 3,600 repatriates every month. However, this goal set by the Comprehensive Program Action has not been achieved. By mid-April last year, the implementation became (discontinued) due to outside obstacle. Therefore the deadline of December 1995 could not be met.

For its part, Vietnam has affirmed to be ready to solve all outstanding problems on the boat people issue with Southeast Asian countries, particularly since Vietnam has become a full member of the ASEAN. So far, Vietnam has signed memorandum of understanding all repatriation of boat people with almost all countries in Southeast Asia. Vietnam has also made an effort to simplify procedures for the returnees. Efforts should also be made by countries concerned. Vietnam always keeps its commitments, and calls for closer and more effective cooperation and joint effort in settlement of the issue.

SRV: Hanoi Strives To Provide Jobs for 38,000 Workers

BK2101134796 Hanoi Voice of Vietnam in English 1000 GMT 21 Jan 96

[FBIS Transcribed Text] Hanoi is striving to provide jobs for 38,000 workers in 1996. One of the major issues is the spending of 35 million dong granted by the National Funds on small and medium-size businesses and how to best use the fund for the repatriated Vietnamese workers from Germany and former Czechoslovakia.

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